COMPTON UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2021

COMPTON UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2021

FINANCIAL SECTION

Independent Auditors' Report 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
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances 15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 16
Proprietary Funds – Statement of Net Position 18
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position 19
Proprietary Funds – Statement of Cash Flows 20
Notes to Financial Statements 21

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule 55
Schedule of Changes in Net OPEB Liability and Related Ratios 56
Schedule of District Contributions for OPEB 57
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS 58
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS 59
Schedule of District Contributions - CalSTRS 60
Schedule of District Contributions - CalPERS 61
Notes to Required Supplementary Information 62

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards 64
Schedule of Instructional Time 65
Schedule of Financial Trends and Analysis 66
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements 67
Schedule of Charter Schools 69
Local Education Agency Organization Structure 68
Notes to Supplementary Information 70

COMPTON UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2021

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* 71
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over ComplianceRequired by the Uniform Guidance 73
Report on State Compliance 75

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results 77
Financial Statement Findings 78
Federal Award Findings and Questioned Costs 79
State Award Findings and Questioned Costs 80
Summary Schedule of Prior Audit Findings 81

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Compton Unified School District
Compton, California

Report on the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Compton Unified School District, as of June 30, 2021, 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.

348 Olive Street
San Diego, CA
92103

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 16 to the basic financial statements, the Compton Unified School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

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, although not 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.

The supplementary information listed in the table of contents 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. Such 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 January 28, 2022, on our consideration of 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 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
January 28, 2022

COMPTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

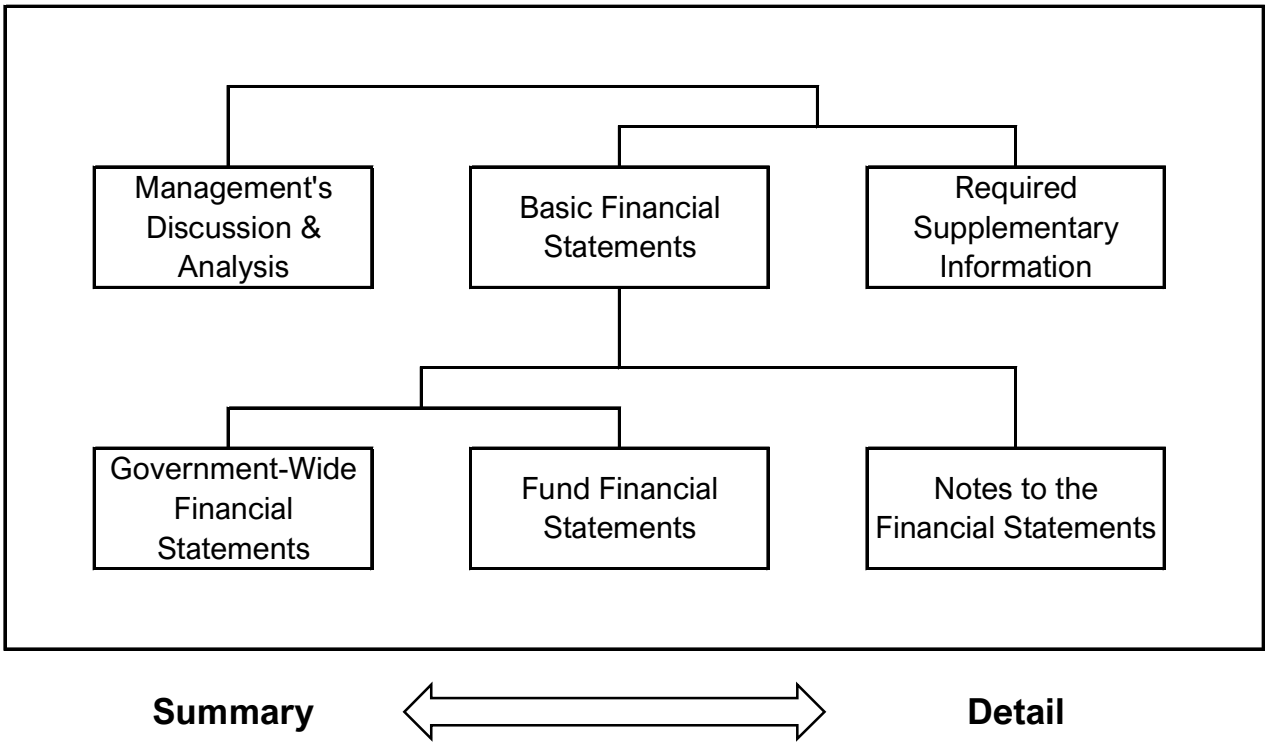
Our discussion and analysis of Compton Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $116,217,974 at June 30, 2021. This was an increase of $55,109,683 from the prior year after restatement.
- Overall revenues were $378,810,158 which exceeded expenses of $323,700,475.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



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.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $116,217,974 at June 30, 2021, as reflected in the table below. Of this amount, $(224,836,000) 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.

	Governmental Activities		
	2021	2020	Net Change
ASSETS			
Current and other assets	$ 472,733,775	$ 415,659,693	$ 57,074,082
Capital assets	347,405,183	346,720,742	684,441
Total Assets	820,138,958	762,380,435	57,758,523
DEFERRED OUTFLOWS OF RESOURCES	70,542,567	87,217,738	(16,675,171)
LIABILITIES			
Current liabilities	120,792,381	112,599,377	8,193,004
Long-term liabilities	607,814,192	609,107,486	(1,293,294)
Total Liabilities	728,606,573	721,706,863	6,899,710
DEFERRED INFLOWS OF RESOURCES	45,856,978	67,099,004	(21,242,026)
NET POSITION			
Net investment in capital assets	288,542,706	276,366,418	12,176,288
Restricted	52,511,268	45,511,516	6,999,752
Unrestricted	(224,836,000)	(261,085,628)	36,249,628
Total Net Position	$ 116,217,974	$ 60,792,306	$ 55,425,668

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.

	Governmental Activities		
	2021	2020	Net Change
REVENUES			
Program revenues			
Charges for services	$ 885,489	$ 827,696	$ 57,793
Operating grants and contributions	111,907,357	63,151,215	48,756,142
General revenues			
Property taxes	60,657,713	53,209,442	7,448,271
Unrestricted federal and state aid	200,625,245	205,342,096	(4,716,851)
Other	4,734,354	8,706,611	(3,972,257)
Total Revenues	378,810,158	331,237,060	47,573,098
EXPENSES			
Instruction	170,939,707	181,479,632	(10,539,925)
Instruction-related services	34,254,895	34,705,211	(450,316)
Pupil services	29,020,833	39,600,053	(10,579,220)
General administration	20,146,358	23,966,358	(3,820,000)
Plant services	43,490,595	32,626,928	10,863,667
Ancillary and community services	1,475,630	2,106,489	(630,859)
Debt service	10,229,217	12,169,745	(1,940,528)
Other outgo	132,427	564,498	(432,071)
Depreciation	14,008,265	8,445,189	5,563,076
Enterprise activities	2,548	46,526	(43,978)
Total Expenses	323,700,475	335,710,629	(12,010,154)
Change in net position	55,109,683	(4,473,569)	59,583,252
Net Position - Beginning, as Restated*	61,108,291	65,265,875	(4,157,584)
Net Position - Ending	$ 116,217,974	$ 60,792,306	$ 55,425,668

**Beginning net position was restated for the 2021 year only.*

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

The cost of all our governmental activities this year was $323,700,475 but the net cost of services was only $210,907,629. The amount that our taxpayers ultimately financed for these activities through taxes was only $60,657,713 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

	Net Cost of Services	
	2021	2020
Instruction	$ 143,158,526	$ 144,196,662
Instruction-related services	13,088,397	27,179,480
Pupil services	(5,638,073)	25,163,366
General administration	15,546,395	22,220,965
Plant services	19,908,126	29,691,723
Ancillary and community services	751,661	2,098,134
Debt service	10,229,217	12,169,745
Transfers to other agencies	132,427	519,928
Depreciation	14,008,265	8,445,189
Enterprise activities	(277,312)	46,526
Total Expenses	$ 210,907,629	$ 271,731,718

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 $369,556,173, which is more than this year's ending restated beginning balance of $322,503,350. The District's General Fund had $53,411,420 more in operating revenues than expenditures for the year ended June 30, 2021. The District's Building Fund had $3,724,496 less in operating revenues than expenditures for the year ended June 30, 2021.

CURRENT YEAR BUDGET 2020-2021

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.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2020-2021 the District had invested $347,405,183 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2021	2020	Net Change
CAPITAL ASSETS			
Land	$ 14,484,468	$ 12,900,350	$ 1,584,118
Construction in progress	15,015,902	12,747,469	2,268,433
Land improvements	43,462,977	42,188,766	1,274,211
Buildings & improvements	455,685,249	449,265,515	6,419,734
Furniture & equipment	28,391,965	25,245,755	3,146,210
Accumulated depreciation	(209,635,378)	(195,627,113)	(14,008,265)
Total Capital Assets	$ 347,405,183	$ 346,720,742	$ 684,441

Long-Term Liabilities

At year-end, the District had $607,814,192 in long-term liabilities, a decrease of 0.21% 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.)

	Governmental Activities		
	2021	2020	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	$ 276,595,221	$ 289,799,868	$ (13,204,647)
Total certificates of participation	32,774,990	35,226,270	(2,451,280)
Compensated absences	1,727,823	1,804,363	(76,540)
Net OPEB liability	36,848,362	40,542,284	(3,693,922)
Net pension liability	279,791,679	261,128,584	18,663,095
Less: current portion of long-term liabilities	(19,923,883)	(19,393,883)	(530,000)
Total Long-term Liabilities	$ 607,814,192	$ 609,107,486	$ (1,293,294)

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 March 2021 and June 2021 quarterly reports, the UCLA Anderson Forecast anticipated a robust recovery from the COVID-19–induced recession that began in March 2020. However, in its September 2021 quarterly report, hopes for blockbuster economic growth have been tempered by the spread of the delta variant and stagnating vaccination rates, which in turn have led to consumer caution and supply constraints. As a result, what could have been a couple of years of blockbuster economic performance will now likely feature solid but unspectacular growth. The economy is currently down 5.3 million payroll jobs from its pre-COVID peak, and there is little evidence to suggest that the expiration of enhanced unemployment benefits will lead to a surge in job applications.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom's "California Comeback Plan" includes a mix of ongoing and one-time investments of $100 billion made possible by an unanticipated surge in state revenues and robust federal stimulus funding.

Landmark legislation passed in year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADS); and (4) meeting annual compliance and audit requirements.

The May 2021 Budget Revision provides additional funding to further reduce the funding deferrals that were included in the 2020-21 Enacted Budget. The Governor's Budget in January proposed paying down $9.2 billion of the K–12 deferrals. The May 2021 Budget Revision proposes paying down an additional $1.1 billion, leaving a balance of $2.6 billion at the end of the 2021–22 fiscal year.

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, 2021. The amount of the liability is material to the financial position of the District. Beginning in 2021-22, the CalSTRS Board has limited authority to increase or decrease rates by a maximum of 1% annually (not to exceed 20.25% of creditable compensation), the projected employer contribution rate for 2021-22 is 16.92%. The CalPERS Board adopted an employer contribution rate of 22.91% for 2021-22. 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 2021-22 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, 2021

	Governmental Activities
ASSETS	
Cash and investments	$ 418,266,274
Accounts receivable	54,294,521
Inventory	172,980
Capital assets, not depreciated	29,500,370
Capital assets, net of accumulated depreciation	317,904,813
Total Assets	820,138,958
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	62,168,629
Deferred outflows related to OPEB	7,549,807
Deferred amount on refunding	824,131
Total Deferred Outflows of Resources	70,542,567
LIABILITIES	
Deficit cash	1,884,622
Accrued liabilities	65,525,509
Current loans	24,380,000
Unearned revenue	4,093,208
Claims liabilities	4,985,159
Long-term liabilities, current portion	19,923,883
Long-term liabilities, non-current portion	607,814,192
Total Liabilities	728,606,573
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	31,732,923
Deferred inflows related to OPEB	14,124,055
Total Deferred Inflows of Resources	45,856,978
NET POSITION	
Net investment in capital assets	288,542,706
Restricted:	
Capital projects	3,821,379
Debt service	8,008,040
Educational programs	39,902,136
Food service	581,861
Associated student body	197,852
Unrestricted	(224,836,000)
Total Net Position	$ 116,217,974

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

COMPTON UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	$ 170,939,707	$ 525,565	$ 27,255,616	$ (143,158,526)
Instruction-related services				
Instructional supervision and administration	15,596,420	9,182	15,485,957	(101,281)
Instructional library, media, and technology	1,835,017	-	328,029	(1,506,988)
School site administration	16,823,458	17,345	5,325,985	(11,480,128)
Pupil services				
Home-to-school transportation	2,919,542	-	3,495,235	575,693
Food services	9,106,413	13,988	26,510,419	17,417,994
All other pupil services	16,994,878	19,053	4,620,211	(12,355,614)
General administration				
Centralized data processing	2,966,708	-	483,342	(2,483,366)
All other general administration	17,179,650	68,612	4,048,009	(13,063,029)
Plant services	43,490,595	230,901	23,351,568	(19,908,126)
Ancillary services	1,475,630	843	723,126	(751,661)
Enterprise activities	2,548	-	279,860	277,312
Interest on long-term debt	10,229,217	-	-	(10,229,217)
Other outgo	132,427	-	-	(132,427)
Depreciation (unallocated)	14,008,265	-	-	(14,008,265)
Total Governmental Activities	$ 323,700,475	$ 885,489	$ 111,907,357	(210,907,629)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				42,593,975
Property taxes, levied for debt service				16,097,693
Property taxes, levied for other specific purposes				1,966,045
Federal and state aid not restricted for specific purposes				200,625,245
Interest and investment earnings				2,383,474
Miscellaneous				2,350,880
Subtotal, General Revenue				266,017,312
CHANGE IN NET POSITION				55,109,683
Net Position - Beginning, as Restated				61,108,291
Net Position - Ending				$ 116,217,974

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

COMPTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 145,798,895	$ 235,915,457	$ 28,604,669	$ 410,319,021
Accounts receivable	50,800,682	509,636	2,895,462	54,205,780
Stores inventory	128,312	-	44,668	172,980
Total Assets	$ 196,727,889	$ 236,425,093	$ 31,544,799	$ 464,697,781
LIABILITIES				
Deficit cash	$ -	$ -	$ 1,884,622	$ 1,884,622
Accrued liabilities	55,561,865	1,828,208	7,393,705	64,783,778
Current loans	24,380,000	-	-	24,380,000
Unearned revenue	2,907,253	-	1,185,955	4,093,208
Total Liabilities	82,849,118	1,828,208	10,464,282	95,141,608
FUND BALANCES				
Nonspendable	1,117,206	-	44,668	1,161,874
Restricted	36,344,746	234,596,885	16,722,706	287,664,337
Committed	-	-	4,313,143	4,313,143
Assigned	67,416,936	-	-	67,416,936
Unassigned	8,999,883	-	-	8,999,883
Total Fund Balances	113,878,771	234,596,885	21,080,517	369,556,173
Total Liabilities and Fund Balances	$ 196,727,889	$ 236,425,093	$ 31,544,799	$ 464,697,781

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, 2021

Total Fund Balance - Governmental Funds		$ 369,556,173
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	$ 557,040,561	
Accumulated depreciation	(209,635,378)	347,405,183
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:		824,131
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 unmatured interest owing at the end of the period was:		(556,184)
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	$ 276,595,221	
Total certificates of participation	32,774,990	
Compensated absences	1,727,823	
Net OPEB liability	36,848,362	
Net pension liability	279,791,679	(627,738,075)
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	$ 62,168,629	
Deferred inflows of resources related to pensions	(31,732,923)	30,435,706
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	$ 7,549,807	
Deferred inflows of resources related to OPEB	(14,124,055)	(6,574,248)
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:		2,865,288
Total Net Position - Governmental Activities		$ 116,217,974

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

COMPTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 235,297,248	$ -	$ 3,777,182	$ 239,074,430
Federal sources	65,303,846	-	3,446,655	68,750,501
Other state sources	46,253,660	-	5,960,977	52,214,637
Other local sources	7,495,302	1,391,717	18,188,937	27,075,956
Total Revenues	354,350,056	1,391,717	31,373,751	387,115,524
EXPENDITURES				
Current				
Instruction	168,324,395	-	2,804,901	171,129,296
Instruction-related services				
Instructional supervision and administration	15,049,786	-	354,305	15,404,091
Instructional library, media, and technology	1,872,771	-	-	1,872,771
School site administration	16,388,849	-	505,245	16,894,094
Pupil services				
Home-to-school transportation	2,919,945	-	-	2,919,945
Food services	3,363,668	-	6,143,799	9,507,467
All other pupil services	16,934,109	-	-	16,934,109
General administration				
Centralized data processing	3,069,588	-	-	3,069,588
All other general administration	17,145,670	-	161,378	17,307,048
Plant services	45,354,816	-	225,765	45,580,581
Facilities acquisition and maintenance	5,439,906	5,116,213	1,474,792	12,030,911
Ancillary services	1,428,452	-	46,229	1,474,681
Transfers to other agencies	61,307	-	-	61,307
Debt service				
Principal	2,085,000	-	11,431,583	13,516,583
Interest and other	1,500,374	-	10,859,855	12,360,229
Total Expenditures	300,938,636	5,116,213	34,007,852	340,062,701
Excess (Deficiency) of Revenues Over Expenditures	53,411,420	(3,724,496)	(2,634,101)	47,052,823
Other Financing Sources (Uses)				
Transfers in	600,000	-	-	600,000
Transfers out	-	-	(600,000)	(600,000)
Net Financing Sources (Uses)	600,000	-	(600,000)	-
NET CHANGE IN FUND BALANCE	54,011,420	(3,724,496)	(3,234,101)	47,052,823
Fund Balance - Beginning, as Restated	59,867,351	238,321,381	24,314,618	322,503,350
Fund Balance - Ending	$ 113,878,771	$ 234,596,885	$ 21,080,517	$ 369,556,173

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, 2021

Net Change in Fund Balances - Governmental Funds		$ 47,052,823
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:	$ 14,692,706	
Depreciation expense:	(14,008,265)	684,441
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:		17,585,000
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:		(109,123)
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:		29,671
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.		(3,737,956)
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:		76,540

(continued on 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, 2021

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:	5,545,451
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:	(15,838,646)
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:	1,808,883
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:	2,012,599
Change in Net Position of Governmental Activities	$ 55,109,683

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

COMPTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets	
Cash and investments	$ 7,947,253
Accounts receivable	88,741
Total Assets	8,035,994
LIABILITIES	
Current liabilities	
Accrued liabilities	185,547
Total current liabilities	185,547
Non-current liabilities	
Claims liabilities	4,985,159
Total non-current liabilities	4,985,159
Total Liabilities	5,170,706
NET POSITION	
Restricted	2,865,288
Total Net Position	$ 2,865,288

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, 2021

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	$ 7,678,502
Other local revenues	82,075
Total operating revenues	7,760,577
OPERATING EXPENSES	
Salaries and benefits	208,996
Supplies and materials	61,627
Professional services	5,507,698
Total operating expenses	5,778,321
Operating income/(loss)	1,982,256
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	30,343
Total non-operating revenues/(expenses)	30,343
CHANGE IN NET POSITION	2,012,599
Net Position - Beginning	852,689
Net Position - Ending	$ 2,865,288

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, 2021

	Governmental Activities
	Internal Service Fund
Cash flows from operating activities	
Cash received from user charges	$ 7,722,912
Cash payments for payroll, insurance, and operating costs	(10,636,194)
Net cash provided by (used for) operating activities	(2,913,282)
Cash flows from investing activities	
Interest received	30,343
Net cash provided by (used for) investing activities	30,343
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,882,939)
CASH AND CASH EQUIVALENTS	
Beginning of year	10,830,192
End of year	$ 7,947,253
Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	$ 1,982,256
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	(37,665)
Increase (decrease) in accrued liabilities	(9,843,032)
Increase (decrease) in claims liabilities	4,985,159
Net cash provided by (used for) operating activities	$ (2,913,282)

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

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.

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]).

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.).

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).

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.

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.

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.

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

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:

Asset Class	Estimated Useful Life
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.

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.

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)

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	July 1, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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.

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.

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

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

J. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has implemented this Statement as of June 30, 2021.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

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 not yet determined the impact on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. 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. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This standard's primary objectives are to increase consistency and comparability related to reporting fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The statement is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Funds	Internal Service Fund	Governmental Activities
Investment in county treasury*	$ 401,392,960	$ 7,097,253	$ 408,490,213
Cash on hand and in banks	197,852	-	197,852
Cash with fiscal agent	6,693,587	850,000	7,543,587
Cash in revolving fund	150,000	-	150,000
Total	$ 408,434,399	$ 7,947,253	$ 416,381,652

*Net of deficit cash

NOTE 2 – CASH AND INVESTMENTS (continued)

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.

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

NOTE 2 – CASH AND INVESTMENTS (continued)

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 $406,108,056 and an amortized book value of $408,490,213. The average weighted maturity for this pool is 1,045 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. As of June 30, 2021, the pooled investments in the County Treasury were not rated.

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, 2021, 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.

NOTE 2 – CASH AND INVESTMENTS (continued)

G. Fair Value (continued)

The District's fair value measurements at June 30, 2021 were as follows:

	Observable Inputs Level 2	Uncategorized	Total
Investment in county treasury	$ -	$ 406,108,056	$ 406,108,056
Cash with fiscal agent - BNY Mellon	6,693,587	-	6,693,587
Total	$ 6,693,587	$ 406,108,056	$ 412,801,643

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	Governmental Activities
Federal Government					
Categorical aid	$ 23,914,894	$ -	$ 438,642	$ -	$ 24,353,536
State Government					
Apportionment	22,788,127	-	-	-	22,788,127
Categorical aid	1,036,415	-	2,228,287	-	3,264,702
Lottery	1,468,338	-	-	-	1,468,338
Local Government					
Other local sources	1,592,908	509,636	228,533	88,741	2,419,818
Total	$ 50,800,682	$ 509,636	$ 2,895,462	$ 88,741	$ 54,294,521

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 12,900,350	$ 1,584,118	$ -	$ 14,484,468
Construction in progress	12,747,469	2,268,433	-	15,015,902
Total Capital Assets not Being Depreciated	25,647,819	3,852,551	-	29,500,370
Capital assets being depreciated				
Land improvements	42,188,766	1,274,211	-	43,462,977
Buildings & improvements	449,265,515	6,419,734	-	455,685,249
Furniture & equipment	25,245,755	3,146,210	-	28,391,965
Total Capital Assets Being Depreciated	516,700,036	10,840,155	-	527,540,191
Less Accumulated Depreciation				
Land improvements	12,175,220	1,950,896	-	14,126,116
Buildings & improvements	162,122,050	10,915,483	-	173,037,533
Furniture & equipment	21,329,843	1,141,886	-	22,471,729
Total Accumulated Depreciation	195,627,113	14,008,265	-	209,635,378
Governmental Activities				
Capital Assets, net	$ 346,720,742	$ 684,441	$ -	$ 347,405,183

NOTE 5 – INTERFUND TRANSACTIONS

The individual interfund transfer for the year ended June 30, 2021 consisted of a $600,000 transfer from the Special Reserve Fund for Capital Outlay Projects to the General Fund for construction expenses.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2021 consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Internal Service Fund	District-Wide	Governmental Activities
Payroll	$ 31,401,973	$ -	$ 391,729	$ -	$ -	$ 31,793,702
Construction	-	1,828,208	3,259,066	-	-	5,087,274
Vendors payable	21,659,400	-	3,742,910	185,547	-	25,587,857
Unmatured interest	-	-	-	-	556,184	556,184
Due to grantor government	2,500,492	-	-	-	-	2,500,492
Total	$ 55,561,865	$ 1,828,208	$ 7,393,705	$ 185,547	$ 556,184	$ 65,525,509

NOTE 7 – TAX AND REVENUE ANTICIPATION NOTES (TRANS)

On March 31, 2021, the District issued $24,380,000 of Tax and Revenue Anticipation Notes bearing interest at 0.3 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on December 30, 2021. At June 30, 2021 the District reported $24,380,000 in current loans in the General Fund.

NOTE 8 – UNEARNED REVENUE

Unearned revenue at June 30, 2021 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	$ 107,541	$ 89,012	$ 196,553
State categorical sources	2,799,712	1,096,943	3,896,655
Total	$ 2,907,253	$ 1,185,955	$ 4,093,208

NOTE 9 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2021 consisted of the following:

	Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Balance Due In One Year
Governmental Activities					
General obligation bonds	$ 253,235,355	$ -	$ 11,431,583	$ 241,803,772	$ 11,597,725
Unamortized premium	21,263,895	-	1,452,317	19,811,578	1,452,317
Unamortized discount	(116,561)	-	(9,714)	(106,847)	(9,714)
Accreted interest	15,417,179	3,737,956	4,068,417	15,086,718	4,292,275
Total general obligation bonds	289,799,868	3,737,956	16,942,603	276,595,221	17,332,603
Certificates of participation	31,180,000	-	2,085,000	29,095,000	2,225,000
Unamortized premium	4,046,270	-	366,280	3,679,990	366,280
Total certificates of participation	35,226,270	-	2,451,280	32,774,990	2,591,280
Compensated absences	1,804,363	-	76,540	1,727,823	-
Net OPEB liability	40,542,284	-	3,693,922	36,848,362	-
Net pension liability	261,128,584	18,663,095	-	279,791,679	-
Total	$ 628,501,369	$ 22,401,051	$ 23,164,345	$ 627,738,075	$ 19,923,883

- 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, 2021, amounted to $1,727,823. 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 $431,303 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.

NOTE 9 – LONG-TERM LIABILITIES (continued)

B. Certificates of Participation (continued)

The annual requirements to amortize all certificates of participation outstanding at June 30, 2021 were as follows:

Year Ended June 30,	Principal	Interest	Total
2022	$ 2,225,000	$ 1,337,800	$ 3,562,800
2023	2,370,000	1,228,900	3,598,900
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 - 2031	5,335,000	3,100,500	8,435,500
2032 - 2036	6,375,000	1,921,100	8,296,100
2037 - 2039	5,480,000	451,000	5,931,000
Total	$ 29,095,000	$ 10,997,600	$ 40,092,600

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. Deferred charges on refunding of $347,281 remain to be amortized. 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 $224,713 remain to be amortized. As of June 30, 2021, the principal balance outstanding on the defeased debt amounted to $0.

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 $168,115 remain to be amortized. As of June 30, 2021, the principal balance outstanding on the defeased debt amounted to $0.

On November 3, 2015, the voters authorized the District to issue and sale $350,000,000 in principal amount of general obligation bonds to finance the acquisition and improvement of various capital facilities of the District. On October 26, 2016, the District issued 2015 Election, Series A General Obligation Bonds in the amount of $20,000,000. The bonds accrue interest between 2% and 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 2020.

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.

NOTE 9 – 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:

Year Ended June 30,	Principal	Interest	Total
2022	$ 11,597,725	$ 10,778,813	$ 22,376,538
2023	4,490,902	8,017,136	12,508,038
2024	4,520,642	7,969,570	12,490,212
2025	4,936,483	7,880,604	12,817,087
2026	5,368,643	7,761,195	13,129,838
2027 - 2031	42,473,300	26,526,263	68,999,563
2032 - 2036	31,484,087	17,494,725	48,978,812
2037 - 2041	30,825,330	16,431,000	47,256,330
2042 - 2046	49,866,660	15,877,003	65,743,663
2047 - 2049	56,240,000	4,371,600	60,611,600
Total	$ 241,803,772	$ 123,107,909	$ 364,911,681

D. Other Postemployment Benefits

The District's beginning net OPEB liability was $40,542,284 and decreased by $3,693,922 during the year ended June 30, 2021. The ending net OPEB liability at June 30, 2021 was $36,848,362. See Note 11 for additional information regarding the net OPEB liability.

E. Net Pension Liability

The District's beginning net pension liability was $261,128,584 and increased by $18,663,095 during the year ended June 30, 2021. The ending net pension liability at June 30, 2021 was $279,791,679. See Note 12 for additional information regarding the net pension liability.

NOTE 10 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2021:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	$ 150,000	$ -	$ -	$ 150,000
Stores inventory	128,312	-	44,668	172,980
All others	838,894	-	-	838,894
Total non-spendable	1,117,206	-	44,668	1,161,874
Restricted				
Educational programs	36,344,746	-	3,557,390	39,902,136
Food service	-	-	581,861	581,861
Associated student body	-	-	197,852	197,852
Capital projects	-	234,596,885	3,821,379	238,418,264
Debt service	-	-	8,564,224	8,564,224
Total restricted	36,344,746	234,596,885	16,722,706	287,664,337
Committed				
Deferred maintenance	-	-	4,313,143	4,313,143
Total committed	-	-	4,313,143	4,313,143
Assigned				
Reserve for future obligations	67,326,098	-	-	67,326,098
Total assigned	67,416,936	-	-	67,416,936
Unassigned	8,999,883	-	-	8,999,883
Total Fund Balance	$ 113,878,771	$ 234,596,885	$ 21,080,517	$ 369,556,173

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.

NOTE 11 – 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.

Effective November 1, 2011, the District provides continuation under PEMHCA to all of its retirees (except Teamsters). CEA (Certificated) retirees have participated in PEMHCA since November 1, 1992, and the minimum District contribution on their behalf, under the Unequal Contribution Method, is now 100% of the statutory minimum for active employees ($128 per months for calendar 2017, $133 per month for calendar year 2018, $136 per month for calendar year 2019, and indexed with Medical CPI thereafter).

For Classified groups entering PEMHCA as of November 1, 2011, the minimum District contribution is subject to the Unequal Contribution Method based on the effective date of the groups' participation in PEMHCA as shown in the table below. The percentage of the statutory minimum for these retirees will increase by 5% per year until it reaches 100% in the year 2031. The statutory minimum itself is increased each year by medical inflation, which has recently averaged about 4% per year. Benefits are paid for the lifetime of the retiree as long as he or she continues to participate in PEMHCA. The District also pays an administrative fee of 0.32% of premium on behalf of all active employees and retirees.

CSEA, SEIU and CFPSE (now Teamsters) retirees who retire after age 60 with at least 20 years of service or after age 55 with at least 30 years of service are offered a 50% District contribution towards the purchase of medical, dental and vision insurance for the retiree only. After the retiree reaches age 65, the District will continue a Medicare Supplement benefit in the amount of $500 per year to eligible retirees until age 68. This amount is subject to the PEMHCA minimum required contribution.

CEA retirees who retire between the ages of 55 and 65 with at least 11 years of service are eligible for an early retirement incentive program that pays 50% of group health, dental, vision, and life insurance premiums until age 65. ROP teachers are not eligible for the early retirement incentive program.

There is a Retirement Incentive of $1,388 per year paid to Certificated retirees. Because this program is not related to health insurance and is not within the scope of GASB 75, it has not been considered in this report, and should not be counted as an employer contribution towards OPEB in the District's financial reporting.

C. Contributions

For the measurement period ended June 30, 2020, the District contributed $7,085,825 to the Plan, $1,162,191 of which was used for current premiums.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Plan Membership

Membership of the Plan consisted of the following:

	Number of participants
Inactive employees receiving benefits	498
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	1,649
Total number of participants**	2,147

*Information not provided
**As of the July 1, 2019 valuation date

E. Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	$ 46,897,403
Plan fiduciary net position	(10,049,041)
District's net OPEB liability	$ 36,848,362
Plan fiduciary net position as a percentage of total OPEB liability	21.43%

F. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Economic assumptions:

Inflation	2.75%
Salary increases	3.00%
Discount rate	6.50%
Health care trend rate	6.25% decreasing to an ultimate 4.50%

Non-economic assumptions:

Mortality:	
Certificated	Most recent rates used by CalSTRS
Classified	Most recent rates used by CalPERS
Retirement rates:	
Certificated	CalSTRS Retirement Rates Table
Classified	CalPERS Retirement Rates for School Employees Table

The actuarial assumptions used in the July 1, 2019 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 thirty years.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Changes in Net OPEB Liability

	June 30, 2021
Total OPEB Liability	
Service cost	$ 1,518,012
Interest on total OPEB liability	2,921,525
Difference between expected and actual experience	(380,419)
Benefits payments	(1,162,191)
Net change in total OPEB liability	2,896,927
Total OPEB liability - beginning	44,000,476
Total OPEB liability - ending (a)	$ 46,897,403
Plan fiduciary net position	
Contributions - employer	$ 7,085,825
Net investment income	688,329
Benefit payments	(1,162,191)
Administrative expenses	(21,114)
Net change in plan fiduciary net position	6,590,849
Plan fiduciary net position - beginning	3,458,192
Plan fiduciary net position - ending (b)	$ 10,049,041
District's net OPEB liability - ending (a) - (b)	$ 36,848,362
Plan fiduciary net position as a percentage of the total OPEB liability	21.43%
Covered-employee payroll	$ 148,404,786
District's net OPEB liability (asset) as a percentage of covered-employee payroll	24.83%

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:

	1% Decrease (5.50%)	Valuation Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	$ 42,301,185	$ 36,848,362	$ 32,215,834

NOTE 11 – 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:

	1% Decrease (5.25%)	Valuation Trend Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability	$ 31,193,959	$ 36,848,362	$ 43,662,460

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

For the fiscal year ended June 30, 2021, the Compton Unified School District recognized OPEB expense of $562,655. At June 30, 2021, the Compton Unified School District reported deferred inflows and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ -	$ 168,358
Differences between expected and actual experience	-	1,008,902
Changes in assumptions	712,587	12,946,795
District contributions subsequent to the measurement date	6,837,220	-
Total	$ 7,549,807	$ 14,124,055

The $6,837,220 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 142,518	$ 3,626,920
2023	142,518	3,626,921
2024	142,518	3,627,659
2025	142,518	2,997,301
2026	142,515	190,911
2027	-	54,343
Total	$ 712,587	$ 14,124,055

NOTE 12 – 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:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
STRS Pension	$ 197,427,655	$ 48,527,131	$ 29,678,205	$ 30,968,769
PERS Pension	82,364,024	13,641,498	2,054,718	9,236,242
Total	$ 279,791,679	$ 62,168,629	$ 31,732,923	$ 40,205,011

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.

NOTE 12 – 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 2021, 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 2021 was 19.10% of annual payroll reduced to 16.15% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were $16,826,459 for the year ended June 30, 2021.

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 $11,517,794 to CalSTRS.

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

At June 30, 2021, 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	$	197,427,655
State's proportionate share of the net pension liability associated with the District		101,773,156
Total	$	299,200,811

The net pension liability was measured as of June 30, 2020, 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, 2019 and rolling forward the total pension liability to June 30, 2020. 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, 2020, the District's proportion was 0.204 percent, which was an increase of 0.005 percent from its proportion measured as of June 30, 2019.

NOTE 12 – 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, 2021, the District recognized pension expense of $30,968,769. In addition, the District recognized pension expense and revenue of $3,182,085 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 4,689,745	$ -
Differences between expected and actual experience	348,370	5,567,799
Changes in assumptions	19,251,993	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,410,564	24,110,406
District contributions subsequent to the measurement date	16,826,459	-
Total	$ 48,527,131	$ 29,678,205

The $16,826,459 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 4,706,216	$ 9,498,154
2023	9,167,789	9,107,002
2024	10,764,993	8,758,633
2025	4,406,742	1,222,451
2026	1,638,122	816,936
2027	1,016,810	275,029
Total	$ 31,700,672	$ 29,678,205

NOTE 12 – 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, 2019, and rolling forward the total pension liability to June 30, 2020 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, 2019 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, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
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

NOTE 12 – 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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 298,285,686	$ 197,427,655	$ 114,155,148

Pension Plan Fiduciary Net Position

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

NOTE 12 – 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 2021 was 22.68% of annual payroll reduced to 20.70% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were $7,539,906 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $82,364,024 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019 and rolling forward the total pension liability to June 30, 2020. 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, 2020, the District's proportion was 0.268 percent, which was a decrease of 0.013 percent from its proportion measured as of June 30, 2019.

NOTE 12 – 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, 2021, the District recognized pension expense of $9,236,242. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 1,714,557	$ -
Differences between expected and actual experience	4,085,003	-
Changes in assumptions	302,032	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,054,718
District contributions subsequent to the measurement date	7,539,906	-
Total	$ 13,641,498	$ 2,054,718

The $7,539,906 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	$ 2,115,919	$ 766,314
2023	1,784,357	678,107
2024	1,382,576	610,297
2025	818,740	-
Total	$ 6,101,592	$ 2,054,718

NOTE 12 – PENSION PLANS (continued)

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

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

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 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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 (11-60 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.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

*An expected inflation of 2.00% used for this period.
**An expected inflation of 2.92% used for this period.

NOTE 12 – PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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 7.15 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 118,413,304	$ 82,364,024	$ 52,444,931

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 13 – 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, 2021.

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, 2021.

C. Construction Commitments

As of June 30, 2021, the District had commitments with respect to unfinished capital projects of $10,389,400.

NOTE 14 – 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 15 – 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, 2021, the deferred amount on refunding was $824,131.

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 12. At June 30, 2021, total deferred outflows related to pensions was $62,168,629 and total deferred inflows related to pensions was $31,732,923.

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 11. At June 30, 2021, total deferred outflows related to other postemployment benefits was $7,549,807 and total deferred inflows related to other postemployment benefits was $14,124,055.

NOTE 16 – RESTATEMENT OF NET POSITION AND FUND BALANCE

The amounts previously reported at June 30, 2020 as the ending net position for Governmental Activities and the Private-Purpose Trust Fund and the ending fund balance for the General Fund and the Student Activity Fund have been restated due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. Based on the clarifications provided by GASB Statement No. 84 and California Education Code regarding associated student body (ASB) and scholarship accounts, it has been determined that the District's ASB and scholarship accounts are not fiduciary because they do not meet the criteria established by GASB Statement No. 84, paragraph 11(c)(2) regarding administrative involvement. The June 30, 2020 ending balances have been restated as follows:

	Governmental Activities	Private-Purpose Trust Fund
Net Position - Beginning, as Previously Reported	$ 60,792,306	$ 90,343
Restatement	315,985	(90,343)
Net Position - Beginning, as Restated	$ 61,108,291	$ -

	General Fund	Student Activity Fund
Fund Balance - Beginning, as Previously Reported	$ 59,777,008	$ -
Restatement	90,343	225,642
Fund Balance - Beginning, as Restated	$ 59,867,351	$ 225,642

REQUIRED SUPPLEMENTARY INFORMATION

COMPTON UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	$ 221,274,683	$ 238,210,543	$ 239,074,430	$ 863,887
Federal sources	21,585,866	64,507,277	207,907,635	143,400,358
Other state sources	30,038,273	33,560,971	55,963,243	22,402,272
Other local sources	5,123,204	4,887,402	7,121,682	2,234,280
Total Revenues	278,022,026	341,166,193	510,066,990	168,900,797
EXPENDITURES				
Certificated salaries	114,097,663	123,030,620	108,014,913	15,015,707
Classified salaries	39,314,774	43,539,466	37,578,038	5,961,428
Employee benefits	68,515,650	72,955,663	69,776,591	3,179,072
Books and supplies	9,686,883	22,452,710	22,130,566	322,144
Services and other operating expenditures	47,083,828	75,176,605	54,253,738	20,922,867
Capital outlay	540,111	6,878,611	7,994,096	(1,115,485)
Other outgo				
Excluding transfers of indirect costs	3,615,150	3,621,790	3,575,561	46,229
Transfers of indirect costs	(826,405)	(554,352)	(161,378)	(392,974)
Total Expenditures	282,027,654	347,101,113	303,162,125	43,938,988
Excess (Deficiency) of Revenues Over Expenditures	(4,005,628)	(5,934,920)	206,904,865	212,839,785
Other Financing Sources (Uses)				
Transfers in	600,000	600,000	600,000	-
Transfers out	(3,777,182)	(3,777,182)	(3,777,182)	-
Net Financing Sources (Uses)	(3,177,182)	(3,177,182)	(3,177,182)	-
NET CHANGE IN FUND BALANCE	(7,182,810)	(9,112,102)	203,727,683	212,839,785
Fund Balance - Beginning	59,777,008	59,777,008	59,777,008	-
Fund Balance - Ending	$ 52,594,198	$ 50,664,906	$ 263,504,691	$ 212,839,785

* 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 $2,223,489 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.
- Revenues for Medi-Cal Billing Option are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance.
- Audit adjustments impacting federal and state sources are not included in this schedule.

See accompanying note to required supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 1,518,012	$ 1,707,514	$ 3,113,634	$ 3,414,597
Interest on total OPEB liability	2,921,525	2,721,352	1,988,611	1,683,118
Difference between expected and actual experience	(380,419)	(955,961)	-	-
Changes of assumptions	-	997,623	(19,260,112)	(4,529,038)
Benefits payments	(1,162,191)	(1,258,985)	(856,223)	(815,657)
Net change in total OPEB liability	2,896,927	3,211,543	(15,014,090)	(246,980)
Total OPEB liability - beginning	44,000,476	40,788,933	55,803,023	56,050,003
Total OPEB liability - ending (a)	$ 46,897,403	$ 44,000,476	$ 40,788,933	$ 55,803,023
Plan fiduciary net position				
Contributions - employer	$ 7,085,825	$ 3,661,610	$ 1,856,223	$ -
Net investment income	688,329	59,636	(972)	-
Benefit payments	(1,162,191)	(1,258,985)	(856,223)	-
Administrative expenses	(21,114)	(2,473)	(624)	-
Net change in plan fiduciary net position	6,590,849	2,459,788	998,404	-
Plan fiduciary net position - beginning	3,458,192	998,404	-	-
Plan fiduciary net position - ending (b)	$ 10,049,041	$ 3,458,192	$ 998,404	$ -
District's net OPEB liability - ending (a) - (b)	$ 36,848,362	$ 40,542,284	$ 39,790,529	$ 55,803,023
Plan fiduciary net position as a percentage of the total OPEB liability	21.43%	7.86%	2.45%	0.00%
Covered-employee payroll	$ 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	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, 2021

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

*For 2018 and 2019, there was no actuarially determined contribution.

See accompanying note to required supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.204%	0.199%	0.194%	0.199%	0.215%	0.276%	0.220%
District's proportionate share of the net pension liability	$ 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	101,773,156	97,844,192	102,043,452	108,626,078	98,977,703	98,411,941	77,459,171
Total	$ 299,200,811	$ 277,186,866	$ 280,269,856	$ 292,241,263	$ 272,816,161	$ 284,485,128	$ 205,736,137
District's covered payroll	$ 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	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	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.

See accompanying note to required supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.268%	0.281%	0.294%	0.297%	0.315%	0.340%	0.405%
District's proportionate share of the net pension liability	$ 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	$ 42,570,167	$ 43,265,225	$ 44,717,548	$ 42,733,687	$ 42,944,375	$ 42,326,807	$ 42,521,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	193.5%	189.0%	175.1%	166.1%	144.7%	118.5%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	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.

See accompanying note to required supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 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*	(16,826,459)	(19,854,626)	(17,901,646)	(15,922,435)	(11,699,892)	(11,666,292)	(12,531,812)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 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	14.95%	17.12%	15.86%	13.96%	11.01%	10.50%	11.01%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 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*	(7,539,906)	(8,139,278)	(7,325,023)	(6,348,967)	(5,543,200)	(4,966,156)	(5,292,672)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 39,469,552	$ 42,570,167	$ 43,265,225	$ 44,717,548	$ 42,733,687	$ 42,944,375	$ 42,326,807
Contributions as a percentage of covered payroll	19.10%	19.12%	16.93%	14.20%	12.97%	11.56%	12.50%

*Amounts do not include on-behalf contributions

See accompanying note to required supplementary information.

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 valuations for OPEB.

Changes in Assumptions

There were no changes in assumptions since the previous valuations 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 and CalPERS.

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, 2021, 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:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Capital outlay	$ 6,878,611	$ 7,994,096	$ 1,115,485

SUPPLEMENTARY INFORMATION

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 12,137,404
Comprehensive Support and Improvement for LEAs	84.010	15438	344,281
Subtotal Title I, Part A			12,481,685
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	23,585
Adult Education: Adult Secondary Education	84.002	13978	3,264
Subtotal Adult Education			26,849
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	803,204
Title III			
Title III, English Learner Student Program	84.365	14346	613,713
Title III, Immigrant Education Program	84.365	15146	24,819
Subtotal Title III			638,532
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	2,124,772
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	978,500
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	83,876
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,834,916
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	227,276
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	71,768
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	14,366
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,000
Subtotal Special Education Cluster			4,149,326
IDEA Early Intervention Grants, Part C	84.181	23761	91,745
Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	84.048	14894	333,013
Carl D. Perkins Career and Technical Education: Adult, Section 132 (Vocational Education)	84.048	14893	13,329
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	139,715
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	9,223,611
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	6,538,816
Subtotal Education Stabilization Fund Discretionary Grants			15,902,142
Total U. S. Department of Education			37,626,973
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding/Extending Summer Food Service Program and SSO:			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	776,493
National School Lunch Program	10.555	13391	1,463,864
USDA Commodities	10.555	*	150,453
Subtotal Child Nutrition Cluster			2,390,810
CACFP Claims - Centers and Family Day Care	10.558	13393	834,305
Total U. S. Department of Agriculture			3,225,115
U. S. DEPARTMENT OF THE TREASURY:			
Passed through California Department of Education:			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516	21,831,482
Total U. S. Department of the Treasury			21,831,482
Total Federal Expenditures			$ 62,683,570

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

See accompanying note to supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2021

Grade Level	2020-21 Number of Days	Status
Kindergarten	180	Complied
Grade 1	180	Complied
Grade 2	180	Complied
Grade 3	180	Complied
Grade 4	180	Complied
Grade 5	180	Complied
Grade 6	180	Complied
Grade 7	180	Complied
Grade 8	180	Complied
Grade 9	180	Complied
Grade 10	180	Complied
Grade 11	180	Complied
Grade 12	180	Complied

See accompanying note to supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

	2022 (Budget)	2021	2020	2019
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	$ 306,683,269	$ 510,666,990	$ 304,395,153	$ 314,564,367
Expenditures And Other Financing Uses	338,016,905	306,939,307	310,640,195	300,533,157
Net change in Fund Balance	$ (31,333,636)	$ 203,727,683	$ (6,245,042)	$ 14,031,210
Ending Fund Balance	$ 232,171,055	$ 263,504,691	$ 59,777,008	$ 66,022,050
Available Reserves*	$ 9,470,279	$ 8,999,883	$ 9,324,197	$ 10,951,800
Available Reserves As A Percentage Of Outgo	2.80%	2.93%	3.00%	3.64%
Long-term Liabilities	$ 607,814,192	$ 627,738,075	$ 628,501,369	$ 369,361,707
Average Daily Attendance At P-2***	19,186	19,392	19,392	19,481

The General Fund balance has increased by $197,482,641 over the past two years. The fiscal year 2021-22 budget projects a decrease of $31,333,636. 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 two of the past three years but anticipates incurring an operating deficit during the 2021-22 fiscal year. Total long-term obligations have increased by $258,376,368 over the past two years.

Average daily attendance has decreased by 89 ADA over the past two years. An anticipated decrease of 206 ADA is expected during the 2021-22 fiscal year.

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

** On-behalf payments of $2,223,489 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. Revenues for Medi-Cal Billing Option are presented as federal revenues in this schedule, while these amounts have been reclassified as local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balance. Audit adjustments impacting federal and state 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.

See accompanying note to supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Private-Purpose Trust Fund
June 30, 2021, annual financial and budget report fund balance/net position	$ 263,504,691	$ 90,838
Adjustments and reclassifications:		
Increase (decrease) in total fund balances/net position:		
Accounts receivable	(149,716,716)	(42)
Cash in county (GASB 84)	90,796	(90,796)
Net adjustments and reclassifications	(149,625,920)	(90,838)
June 30, 2021, audited financial statement fund balance/net position	$ 113,878,771	$ -

See accompanying note to supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2021

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

Member	Office	Term Expires
Micah Ali	President	2024
Satra Zurita	Vice President	2022
Charles Davis	Clerk	2024
LoWanda Green	Member	2022
Mae P. Thomas	Member	2022
Alma Pleasant	Member	2022
Sandra Moss	Legislative Representative	2024

DISTRICT ADMINISTRATORS

Darin Brawley, Ed.D., *Superintendent*

Alejandro Alvarez, Ed.D., *Deputy Superintendent/CAO*

William Wu, JD, *Chief of School Police*

Kanika White, Ed.D., *Executive Director of Human Resources*

Mario Marcos, *Executive Director of Educational Services*

Nathaniel Holt*, Chief Facilities Officer and Bond Program Director*

Abimbola Ajala, Ed.D*., Executive Director of Pupil Services*

Helen Rodriguez, Ed.D., *Senior Director of Special Education and SELPA*

Greg Puccia, Ed.D., *Senior Director of Educational Services, Secondary*

See accompanying note to supplementary information.

COMPTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2021

Charter #	Charter School	Status	Included in Audit Report
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	Ingenium Clarion Charter Middle	Active	No
1996	KIPP Compton Community	Active	No

See accompanying note to supplementary information.

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, 2021 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2021.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 68,750,501
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	(3,088,106)
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	(180,729)
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	93.575	(181,361)
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	(2,616,735)
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		$ 62,683,570

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

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.

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*

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, 2021, 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 January 28, 2022

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

348 Olive Street
San Diego, CA
92103

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

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*.

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.



San Diego, California
January 28, 2022

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

We have audited Compton Unified School District's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Compton Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Compton Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Compton Unified School District's compliance.

Opinion on Each Major Federal Program

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, 2021.

348 Olive Street
San Diego, CA
92103

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

Report on Internal Control Over Compliance

Management of Compton Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Compton Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Compton Unified School District's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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.



San Diego, California
January 28, 2022

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Governing Board
Compton Unified School District
Compton, California

Report on State Compliance

We have audited Compton Unified School District's compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in 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, 2021, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Compton Unified School District's state programs based on our audit of the types of compliance requirements referred to above. 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 *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Compton Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Compton Unified School District's compliance with those requirements.

Opinion on State Compliance

In our opinion, Compton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2021.

348 Olive Street
San Diego, CA
92103

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

Procedures Performed

In connection with the audit referred to above, we selected and tested transactions and records to determine Compton Unified School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	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
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools	
Independent Study-Course Based; for charter schools	Not Applicable
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
Charter School Facility Grant Program	Not Applicable

Christy White, Inc

San Diego, California
January 28, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COMPTON UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A
84.424	Title IV, Part A, Student Support and Academic Enrichment Grants
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster
84.425C, 84.425D	Education Stabilization Fund Discretionary Grants
21.019	Coronavirus Relief Fund (CRF): Learning Loss Mitigation

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,880,507
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for state programs:	Unmodified

COMPTON UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no financial statement findings for the year ended June 30, 2021.

COMPTON UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2021.

COMPTON UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2021.

COMPTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FINDING #2020-001: INSTRUCTIONAL MATERIALS (70000)

Criteria: The District must hold an annual public hearing regarding sufficiency of instructional materials and the determination of sufficiency instructional materials must be made at a regularly scheduled board meeting in accordance with *California Education Code Section* 60119. The District must hold the public hearing at a time that encourages the attendance of teachers and parents and guardians of pupils who attend the schools and cannot take place during or immediately following school hours.

Condition: In our review of documentation related to the sufficiency of textbooks and instructional materials, it was noted that the District held the public hearing at a special board meeting at 10:00 am.

Effect: The District was not in compliance with the applicable section of California Education Code related to instructional materials.

Cause: Administrative oversight.

Questioned Costs: None, the requirements are verified for compliance only and a finding does not result in disallowance of funds.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District ensure the public hearing is held at a regularly scheduled board meeting and not during or immediately following school hours.

Corrective Action Plan: Annual public hearing regarding sufficiency of instructional materials will take place at a regularly scheduled board meeting. This will enable teachers, parents and guardians of district pupils to attend.

Current Status: Implemented.