



# Report Highlights

## Recovery School District

### Department of Education

DARYL G. PURPERA,  
CPA, CFE

Audit Control # 80170042  
Financial Audit Services • December 2017

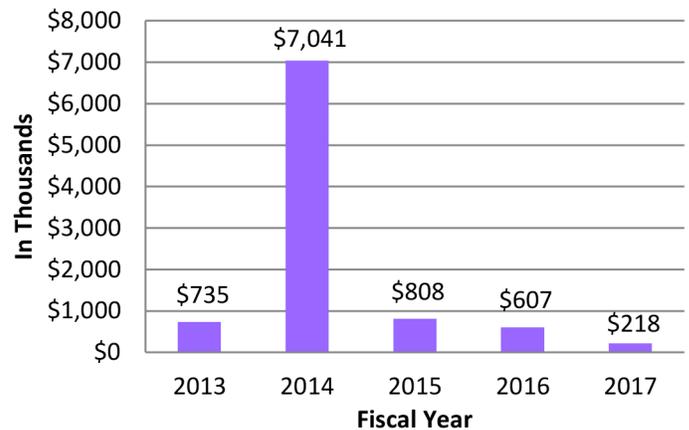
## Why We Conducted This Audit

We performed certain procedures at the Recovery School District (RSD) to evaluate RSD's accountability over public funds for the period July 1, 2016, through June 30, 2017.

## What We Found

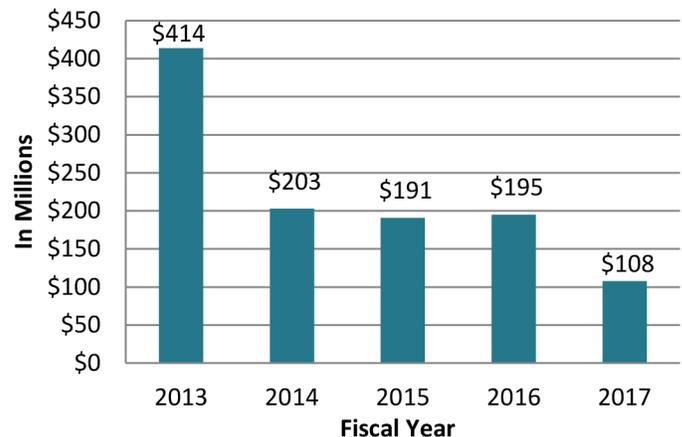
- For the eleventh consecutive year, RSD did not maintain and accurately report equipment as required by state equipment regulations and did not maintain accurate information in the state's movable property system. RSD's annual certification of property inventory disclosed \$217,870 in unlocated movable property for the current period and \$5,421,629 for items reported as unlocated in the previous three years that remained unlocated in fiscal year 2017.
- The prior-year finding related to inadequate controls over recoupment of payroll overpayments has been resolved.
- The amount of unlocated property has fluctuated over the past five fiscal years, increasing significantly in fiscal year 2014 mainly due to RSD conducting a thorough inventory and accurately reporting unlocated items, and decreasing from fiscal year 2015 to fiscal year 2017.
- RSD's expenditures decreased from fiscal year 2013 to fiscal year 2014 due to Minimum Foundation Program dollars flowing directly to charter schools rather than through RSD and decreased from fiscal year 2016 to 2017 due to a decrease in construction expenditures.

### Unlocated Property - Initial Year Reported



Source: Fiscal Year 2013-2017 Annual Property Certifications

### Expenditures



Source: Fiscal Year 2013-2017 Annual Fiscal Reports

View the full report, including management's response, at [www.la.gov](http://www.la.gov).