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EL DORADO UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

EL DORADO UNION HIGH SCHOOL DISTRICT
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JUNE 30, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
El Dorado Union High School District
Placerville, California

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the El Dorado Union High School District ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of El Dorado Union High School District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 misstatements, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in the net OPEB liability and related ratios, schedule of the proportionate share of the net pension liability, and schedule of contributions - pensions as identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an 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 El Dorado Union High School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying 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 December 15, 2023 on our consideration of El Dorado Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 El Dorado Union High School District's internal control over financial reporting and compliance.



San Diego, California
December 15, 2023

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

This section of El Dorado Union High School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023, with comparative information for the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by \$10.1 million, or 186.2% (See Table A-1).
- Governmental expenses were about \$107.0 million. Revenues were about \$117.1 million (See Table A-2).
- The District spent approximately \$2.3 million in new capital assets during the year. These expenditures were incurred primarily from improvement of sites and buildings which are currently in progress (See Table A-3).
- The District's outstanding long-term debt increased by \$27.7 million. This was primarily due to the increase in the pension liability for 2022-2023 (See Table A-4).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the proprietary funds statements.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset /liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; The District’s funds do not currently contain nonfinancial assets, though they can	All assets and liabilities, both short-term and long-term; The District’s funds do not currently contain nonfinancial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements

The district-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 District'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 district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or position.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors, such as changes in the District's demographics and the condition of school buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as Governmental Activities. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District operates and reports on governmental funds as described below::

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements 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. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was higher on June 30, 2023, than it was the year before – increasing to \$4.7 million as noted in the summary below:

Table A-1

	Governmental Activities		
	2023	2022	Net Change
ASSETS AND DEFERRED OUTFLOWS			
Current and other assets	\$ 49,737,909	\$ 44,415,737	\$ 5,322,172
Capital assets	99,737,573	103,589,439	(3,851,866)
Deferred outflows	30,223,103	19,681,724	10,541,379
Total Assets and Deferred Outflows	179,698,585	167,686,900	12,011,685
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	7,892,267	11,574,484	(3,682,217)
Long-term liabilities	154,390,655	125,936,501	28,454,154
Deferred inflows	12,638,220	35,603,193	(22,964,973)
Total Liabilities and Deferred Inflows	174,921,142	173,114,178	1,806,964
NET POSITION			
Net investment in capital assets	19,231,085	24,853,226	(5,622,141)
Restricted	33,360,357	19,644,162	13,716,195
Unrestricted	(47,813,999)	(49,924,666)	2,110,667
Total Net Position	\$ 4,777,443	\$ (5,427,278)	\$ 10,204,721

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position, governmental activities

The District total revenues increased by 7.62% to \$117.1 million. The increase is due primarily to the large one-time funds the state distributed, the Arts, Music, Instructional Materials Block Grant and the Learning Recovery Block Grant.

The total cost of all programs and services increased 7.56% to \$107.0 million. The District's expenses are predominantly related to educating students, 70.24%. The administrative activities of the District accounted for just 6.79% of total costs.

Table A-2

	Governmental Activities		
	2023	2022	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 1,880,253	\$ 2,459,088	\$ (578,835)
Operating grants and contributions	26,074,905	23,269,141	2,805,764
Capital grants and contributions	-	-	-
General revenues			
Property taxes	46,291,249	47,730,076	(1,438,827)
Unrestricted federal and state aid	41,049,815	33,831,527	7,218,288
Other	1,786,550	1,507,190	279,360
Total Revenues	117,082,772	108,797,022	8,285,750
EXPENSES			
Instruction	50,449,377	51,224,520	(775,143)
Instruction-related services	9,964,041	7,920,665	2,043,376
Pupil services	14,728,262	11,454,789	3,273,473
General administration	7,266,590	5,720,457	1,546,133
Plant services	10,615,628	9,298,789	1,316,839
Ancillary services	2,700,439	2,533,066	167,373
Community services	12,566	25,727	(13,161)
Interest and other charges	2,816,433	3,446,168	(629,735)
Other outgo	2,240,543	2,340,930	(100,387)
Depreciation (Unallocated)	6,084,172	5,978,469	105,703
Total Expenses	106,878,051	99,943,580	7,558,890
CHANGE IN NET POSITION	10,204,721	8,853,442	1,351,279
Net Position - Beginning	(5,427,278)	(14,280,720)	8,853,442
Net Position - Ending	\$ 4,777,443	\$ (5,427,278)	\$ 10,204,721

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of \$46.9 million, which is above last year's ending fund balance of \$38.6 million. The primary causes of the increased fund balance are the state resources related to one time block grants to address learning loss during the pandemic.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

Revenues

- Local Control Funding Formula (LCFF) was fully implemented in FY 2018-19. In FY 2022-23 statutory cost of-living adjustment (COLA) of 6.56% was funded, including a 6.70% COLA augmentation.
- Enrollment decreased from prior year to 6,716 or by 182 students. Under the law, the District is allowed to use the greater of current year, previous year's Average Daily Attendance (ADA), or the prior three year average ADA.
- Carryover of unspent categorical funds from prior year were budgeted.
- Other revenue categories were also adjusted as grants became available from the Federal, State and local agencies.

Expenditures

- Employee benefits for the State Teacher Retirement System (STRS) increased from 16.92% to 19.10% and the Public Employee Retirement System (PERS) increased from 22.91% to 25.37% of the employees' gross payroll.
- Restricted Maintenance Account (RMA) contribution was at 5%.
- Budgeted expenditures were adjusted in accordance to the increase in categorical program revenues.
- Additionally, budget for unspent categorical programs (entitlements) with fund balance from the prior year were increased.
- Other expenditure categories were adjusted to cover any unexpected changes during the year.

While the District's final budget for the General Fund, as listed on page 59, anticipated that expenditures would exceed revenues by about \$1.2 million, the actual results for the year show that revenues exceeded expenditures by \$7.3 million. Actual revenues were \$1.7 million more than anticipated, and expenditures were \$6.8 million less than budgeted. These amounts consist primarily of restricted categorical program dollars that were not spent as of June 30, 2023, and will be carried over into the 2023-24 budget.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

By the end of 2022-2023, the District had invested \$201.5 million in capital assets, related to the District's ongoing construction and modernization program. (More detailed information about capital assets can be found in the notes to the financial statements). Total depreciation for the year was \$6.1 million.

Table A-3

	Governmental Activities		
	2023	2022	Net Change
CAPITAL ASSETS			
Land	\$ 4,197,064	\$ 4,197,064	\$ -
Construction in progress	6,821,812	4,896,138	1,925,674
Land improvements	21,964,191	21,902,491	61,700
Buildings & improvements	154,268,491	154,132,824	135,667
Furniture & equipment	14,274,316	14,372,207	(97,891)
Accumulated depreciation	(101,788,301)	(95,911,285)	(5,877,016)
Total Capital Assets	\$ 99,737,573	\$ 103,589,439	\$ (3,851,866)

LONG-TERM DEBT

At year-end the District had \$158.7 million in general obligation bonds, certificates of participation, lease liabilities, pension liabilities, other postemployment benefits and compensated absences – an increase of 21.10% from last year. (more detailed information about the District's long-term liabilities is presented in notes to the financial statements).

Table A-4

	Governmental Activities		
	2023	2022	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 64,071,488	\$ 66,095,657	\$ (2,024,169)
Certificates of participation	16,435,000	17,120,000	(685,000)
Lease liabilities	620,486	799,024	(178,538)
Net pension liability	68,849,911	39,129,000	29,720,911
Net OPEB liability	7,336,937	6,762,488	574,449
Compensated absences payable	1,284,015	1,140,362	143,653
Less: current portion of long-term debt	(4,207,182)	(5,110,030)	902,848
Total Non-Current Long-Term Liabilities	\$ 154,390,655	\$ 125,936,501	\$ 28,454,154

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

FACTORS BEARING ON THE DISTRICT'S FUTURE

During the District's budget development process, the following budget assumptions were applied to the District's budget based on the most current information available at that time. However, revenue and expenditure assumptions have changed since then. The following assumptions were applied to the El Dorado Union High School District's 2023-24 Budget that was adopted in June 2023.

The following assumptions were used in estimating revenues and expenditures:

- a) Local Control Funding Formula (LCFF) for 2023-24 is calculated using the following assumptions:
 - Funded Average Daily Attendance (ADA) of 6,111.71
 - Cost of Living Adjustment (COLA) of 8.22%
 - Unduplicated Pupil Percentage of 22.94% (rolling three-year average)
- b) Federal Revenues are projected to decline mainly due to the elimination of Unearned Revenues which will be budgeted after Unaudited Actuals and when carryover is confirmed. The Unearned Revenues include the Expanded Learning Opportunities Program (ELOG) and the Elementary and Secondary School Emergency Relief (ESSER) funds.
- c) State Revenues are projected to decline mainly due to the elimination of one-time funds, such as ELOG funds, which will be budgeted after Unaudited Actuals and when carryover is confirmed.
- d) Location Revenues are based on historical trends and commitments from donors.
- e) Certificated staffing decreased by 0.6 FTE due to declining enrollment.
- f) Classroom staffing allocation has been adjusted based on the projected enrollment. Class sizes and the ratios remains the same as the prior-year, 32.57:1 for first semester and 31.57:1 for second semester.
- g) Employee Benefits include all the related statutory benefits applicable to the Certificated and Classified Salaries. The State Teachers Retirement System (STRS) contribution rate remained at 19.10% while the Public Employees' Retirement System (PERS) contribution rate increased to 26.68%.
- h) Books and Supplies increased due to inflation.
- i) Services and Operation Expenses increased due to fuel and sub-agreements for Special Education transportation increasing by 10% due to rising costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Robert Whittenberg, Assistant Superintendent, 4675 Missouri Flat Rd., Placerville, CA 95667 or (530) 622-5081, ext. 7227.

EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 44,020,120
Accounts receivable	5,188,791
Prepaid expenses	489,980
Inventory	39,018
Capital assets, not depreciated	11,018,876
Capital assets, net of accumulated depreciation	88,718,697
Total Assets	<u>149,475,482</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to refunding	3,538,763
Deferred outflows related to OPEB	2,833,016
Deferred outflows related to pensions	23,851,324
Total Deferred Outflows of Resources	<u>30,223,103</u>
LIABILITIES	
Accrued liabilities	1,914,132
Unearned revenue	898,394
Interest payable	872,559
Long-term liabilities, current portion	4,207,182
Net pension liability	68,849,911
Net OPEB liability	7,336,937
Long-term liabilities, non-current portion	78,203,807
Total Liabilities	<u>162,282,922</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	11,596,738
Deferred inflows related to OPEB	1,041,482
Total Deferred Inflows of Resources	<u>12,638,220</u>
NET POSITION	
Net investment in capital assets	19,231,085
Restricted:	
Educational Programs	7,113,960
Debt service	2,675,834
Capital projects	18,887,528
Child nutrition	2,277,781
Other restrictions	2,405,254
Unrestricted	(47,813,999)
Total Net Position	<u>\$ 4,777,443</u>

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 50,449,377	\$ 113,884	\$ 12,503,653	\$ (37,831,840)
Instruction-related services				
Instructional supervision and administration	2,507,762	5,242	552,471	(1,950,049)
Instructional library, media, and technology	873,422	-	41,372	(832,050)
School site administration	6,582,857	-	1,154,682	(5,428,175)
Pupil services				
Home-to-school transportation	4,884,739	-	2,422,635	(2,462,104)
Food services	2,565,803	259,086	2,929,138	622,421
All other pupil services	7,277,720	7,281	1,199,073	(6,071,366)
General administration				
Centralized data processing	1,649,152	-	-	(1,649,152)
All other general administration	5,617,438	47,392	1,846,399	(3,723,647)
Plant services	10,615,628	5,379	81,713	(10,528,536)
Ancillary services	2,700,439	26,653	1,149,564	(1,524,222)
Community services	12,566	-	-	(12,566)
Interest on long-term debt	2,816,433	-	-	(2,816,433)
Other outgo	2,240,543	1,415,336	2,194,205	1,368,998
Total Governmental Activities	\$ 106,878,051	\$ 1,880,253	\$ 26,074,905	(78,922,893)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				41,641,269
Property taxes, levied for debt service				3,416,163
Property taxes, levied for other specific purposes				1,233,817
Federal and state aid not restricted for specific purposes				41,049,815
Interest and investment earnings				(348,862)
Interagency revenues				162
Miscellaneous				2,135,250
Subtotal, General Revenue				89,127,614
CHANGE IN NET POSITION				10,204,721
Net Position - Beginning				(5,427,278)
Net Position - Ending				\$ 4,777,443

**EL DORADO UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General Fund	Capital Facilities Fund	Capital Project for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 20,419,219	\$ 5,773,312	\$ 10,967,952	\$ 6,859,637	\$ 44,020,120
Accounts receivable	4,486,024	106,917	-	595,850	5,188,791
Stores inventory	39,018	-	-	-	39,018
Prepaid expenditures	489,980	-	-	-	489,980
Total Assets	\$ 25,434,241	\$ 5,880,229	\$ 10,967,952	\$ 7,455,487	\$ 49,737,909
LIABILITIES					
Accounts Payable	\$ 1,854,069	\$ 35,780	\$ -	\$ 24,283	\$ 1,914,132
Unearned revenue	780,353	-	-	118,041	898,394
Total Liabilities	2,634,422	35,780	-	142,324	2,812,526
FUND BALANCES					
Nonspendable	545,663	-	-	3,385	549,048
Restricted	9,845,074	5,844,449	10,967,952	7,309,778	33,967,253
Committed	5,670,000	-	-	-	5,670,000
Assigned	336,636	-	-	-	336,636
Unassigned	6,402,446	-	-	-	6,402,446
Total Fund Balances	22,799,819	5,844,449	10,967,952	7,313,163	46,925,383
Total Liabilities and Fund Balances	\$ 25,434,241	\$ 5,880,229	\$ 10,967,952	\$ 7,455,487	\$ 49,737,909

**EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balance - Governmental Funds \$ 46,925,383

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	\$ 201,525,874	
Accumulated depreciation	(101,788,301)	99,737,573

Unmatured interest on long-term debt:

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

(872,559)

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:

General obligation bonds	\$ 58,205,831	
Accreted interest	2,311,171	
Unamortized premiums	3,554,486	
Certificates of participation	16,435,000	
Lease liability	620,486	
Net pension liability	68,849,911	
Net OPEB liability	7,336,937	
Compensated absences payable	1,284,015	(158,597,837)

Deferred gain or loss on debt refunding:

In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:

3,538,763

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 relating to pensions:	\$ 23,851,324	
Deferred inflows of resources relating to pensions:	(11,596,738)	12,254,586

Deferred outflows and inflows of resources related to other postemployment benefits (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 pensions are reported:

Deferred outflows of resources relating to OPEB	\$ 2,833,016	
Deferred inflows of resources relating to OPEB	(1,041,482)	1,791,534

Total Net Position - Governmental Activities \$ 4,777,443

**EL DORADO UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Facilities Fund	Capital Project for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 79,718,427	\$ -	\$ -	\$ -	\$ 79,718,427
Federal sources	4,308,798	-	-	940,906	5,249,704
Other state sources	15,519,653	-	-	2,098,122	17,617,775
Other local sources	8,304,736	1,508,659	1,269,141	4,839,291	15,921,827
Total Revenues	107,851,614	1,508,659	1,269,141	7,878,319	118,507,733
EXPENDITURES					
Current					
Instruction	53,967,340	-	-	-	53,967,340
Instruction-related services					
Instructional supervision and administration	2,703,647	-	-	-	2,703,647
Instructional library, media, and technology	936,728	-	-	-	936,728
School site administration	6,936,103	-	-	-	6,936,103
Pupil services					
Home-to-school transportation	4,898,024	-	-	-	4,898,024
Food services	59,940	-	-	2,515,931	2,575,871
All other pupil services	7,770,375	-	-	-	7,770,375
General administration					
Centralized data processing	1,652,457	-	-	-	1,652,457
All other general administration	5,517,016	141,070	-	78,119	5,736,205
Plant services	10,603,877	-	20,980	7,343	10,632,200
Facilities acquisition and maintenance	966,513	-	75,969	1,218,246	2,260,728
Ancillary services	1,670,899	-	-	1,064,790	2,735,689
Community services	12,566	-	-	-	12,566
Transfers to other agencies	2,212,121	-	-	-	2,212,121
Debt service					
Principal	456,685	351,611	77,881	2,150,000	3,036,177
Interest and other	155,322	179,267	40,226	1,843,974	2,218,789
Total Expenditures	100,519,613	671,948	215,056	8,878,403	110,285,020
Excess (Deficiency) of Revenues Over Expenditures	7,332,001	836,711	1,054,085	(1,000,084)	8,222,713
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	87	87
Other sources	74,475	-	-	-	74,475
Transfers out	(87)	-	-	-	(87)
Net Financing Sources (Uses)	74,388	-	-	87	74,475
NET CHANGE IN FUND BALANCE	7,406,389	836,711	1,054,085	(999,997)	8,297,188
Fund Balance - Beginning	18,482,106	5,007,738	9,913,867	5,224,484	38,628,195
Adjustment for restatement	(3,088,676)	-	-	3,088,676	-
Fund Balance - Beginning, as restated	15,393,430	5,007,738	9,913,867	8,313,160	38,628,195
Fund Balance - Ending	\$ 22,799,819	\$ 5,844,449	\$ 10,967,952	\$ 7,313,163	\$ 46,925,383

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

Net Change in Fund Balances - Governmental Funds \$ 8,297,188

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:	\$ 2,232,306	
Depreciation expense:	<u>(6,084,172)</u>	(3,851,866)

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:

3,117,353

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:

(195,647)

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.

(824,993)

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:

(143,653)

Pensions:

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

4,143,555

Postemployment benefits other than pensions (OPEB):

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

(679,036)

Deferred gain or loss on debt 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:

(253,527)

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:

595,347

Change in Net Position of Governmental Activities

\$ 10,204,721

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

El Dorado Union High 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Reporting Entity

The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The El Dorado Union High School District (the "District") has financial and operational relationships with the El Dorado School Financing Community Facilities District (the "Agency") and the El Dorado Union High School District Facilities Corporation (the "Corporation"). The Agency meets the definition of a joint venture. The Corporation meets the reporting entity definition criteria of the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Agency and the Corporation are required to be included in the financial statements of the District.

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. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The El Dorado School Financing Community Facilities District No. 2007-1 (Agency) was formed by a Joint Powers Agreement among the Buckeye Union School District, Rescue Union School District and El Dorado Union High School District pursuant to the Mello-Roos Community Facilities Act of 1982. The Agency was formed for the purpose of administering and collecting special taxes for its member districts. The Agency has no employees or property and equipment, and its powers are limited to the implementation of the Mello-Roos financing plan contemplated in the Joint Powers Agreement.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Component Units, continued

The Agency is governed by an elected board consisting of one representative from each member district. Board members are elected by the participating districts' governing boards and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Oversight responsibility; the ability to conduct independent financial affairs, issue debt instruments, approve budgets, sign contracts, levy taxes, and otherwise influence operations and account for fiscal matters, is exercised by the Agency's Governing Board. Accordingly, the Agency is considered to be a separate legal entity from the school district and is designated as a joint venture for financial reporting purposes. The District's financial statements must include the Mello-Roos activity on behalf of the District in this joint venture. This information is presented in these financial statements as the Community Facilities District Fund.

El Dorado Union High School District Financing Corporation: The El Dorado Union High School District Financing Corporation (Corporation) is a nonprofit, public benefits corporation, incorporated under the laws of the State of California and recorded by the Secretary of State in 1991. The Corporation was formed for the sole purpose of providing financial assistance to the district by financing the design, development, acquisition, construction, improvement and remodeling of facilities and equipment, together with site acquisition, development, landscaping, utilities, furnishings, improvements, parking and all appurtenant and related facilities. When the Corporation's Certificates of Participation have been paid with State reimbursements or other available District funds, title to all Corporation property will pass to the District for no additional consideration.

The Corporation is considered to be a separate legal entity from the school district, but the District's financial statements must include the related financing activities as a blended component unit. This information is presented in these financial statements as the El Dorado Union High School District Financing Corporation Debt Service Fund.

Other Related Entities

Charter School - The District has approved a El Dorado Union High School District Virtual Academy at Shenandoah, (the "Charter") pursuant to *Education Code* Section 47605. The Charter is operated by the District, and its financial activities are presented in the General Fund.

Joint Powers Agencies and Public Entity Risk Pools - The District is associated with Schools Insurance Authority (SIA) joint power authority. The organization does not meet the criteria for inclusion as component units of the District. More detailed information is presented in Note 12 to the financial statements.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620- 17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

Capital Project for Blended Component Units Fund This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code* Section 53311 et seq.) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The El Dorado Schools Financing Authority CFD No.1 Fund is a capital project fund used to account for the financing of resources used for the acquisition or construction of capital facilities by the District.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Special Revenue 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.
- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is 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).

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

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for and the payment of principal and interest on general long-term liabilities.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a local educational agency (*Education Code* Sections 15125-15262).

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. 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 the 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. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position 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 result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on 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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Available means that 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. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be 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.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. 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 but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. 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 resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities 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 liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Current Loans

Current loans consist of amounts outstanding at year end for Tax Revenue and Anticipation Notes. The notes were issued as short-term liabilities to provide cash flow needs. This liability is offset with cash deposits in the County Treasurer/Trustee, which have been set aside to repay the notes.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

As of June 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. For a District this size, the 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.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and 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 and deferred charges on refunding bonds that are attributable capital activity. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$33,360,357 of restricted net position, of which is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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.

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.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. All encumbrances are liquidated as of June 30.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 of El Dorado bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

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.

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New Accounting Pronouncements, continued

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

Early implementation is encouraged. The District is in the process of determining the effect on the financial reporting.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, consist of the following:

	Governmental Activities
Cash in county treasury	\$ 35,235,409
Cash on hand and in banks	606,896
Cash with fiscal agent	9,919,596
Cash in revolving fund	20,050
Fair market value adjustment	(1,761,831)
Total	<u>\$ 44,020,120</u>

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; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District’s investment in the pool is reported in the accounting financial statements at amounts 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.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – DEPOSITS AND INVESTMENTS, continued

Policies and Practices, continued

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum 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%	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

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 Pool (and LAIF) which purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – DEPOSITS AND INVESTMENTS, continued

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District’s portfolio is presented in the following schedule:

Investment Type:	Fair Value	Maturity
County Treasury	\$ 33,473,578	689 Days

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 (unless so waived by the governmental unit). 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 agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, none of the District’s bank balance was exposed to custodial credit risk.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2023, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government				
Categorical aid	\$ 1,401,115	\$ -	\$ 595,850	\$ 1,996,965
State Government				
Categorical aid	2,344,488	-	-	2,344,488
Lottery	406,382	-	-	406,382
Local Government				
Other local sources	334,039	106,917	-	440,956
Total	\$ 4,486,024	\$ 106,917	\$ 595,850	\$ 5,188,791

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 4,197,064	\$ -	\$ -	\$ 4,197,064
Construction in progress	4,896,138	1,975,308	49,634	6,821,812
Total Capital Assets not Being Depreciated	9,093,202	1,975,308	49,634	11,018,876
Capital assets being depreciated				
Land improvements	21,902,491	61,700	-	21,964,191
Buildings and improvements	154,132,824	135,667	-	154,268,491
Furniture and equipment	14,372,207	109,265	207,156	14,274,316
Total Capital Assets Being Depreciated	190,407,522	306,632	207,156	190,506,998
Total Capital Assets	199,500,724	2,281,940	256,790	201,525,874
Less Accumulated Depreciation				
Land improvements	14,411,672	933,879	-	15,345,551
Buildings and improvements	70,846,586	4,268,862	-	75,115,448
Furniture and equipment	10,653,027	881,431	207,156	11,327,302
Total Accumulated Depreciation	95,911,285	6,084,172	207,156	101,788,301
Capital Assets, net	\$ 103,589,439	\$ (3,802,232)	\$ 49,634	\$ 99,737,573

Depreciation expense of \$306,632 was not allocated as a direct expense to governmental functions.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. There were no interfund receivable and payable balances at June 30, 2023.

Interfund Transfers (In/Out)

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Interfund Transfer Out	Interfund Transfer In	
	Non-Major Governmental Funds	Total
General Fund	\$ 87	\$ 87
Total	\$ 87	\$ 87

Transfer from General Fund to Cafeteria Special Revenue Fund to cover negative balances.	\$	87
	\$	87

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 – ACCOUNTS PAYABLE

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

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	District-Wide	Total Governmental Activities
Payroll and related	\$ 280,977	\$ -	\$ 21,602	\$ 302,579	\$ -	\$ 302,579
Vendors payable	848,509	35,780	2,681	886,970	-	886,970
Due to grantor government	724,583	-	-	724,583	-	724,583
Unmatured interest	-	-	-	-	872,559	872,559
Total	\$ 1,854,069	\$ 35,780	\$ 24,283	\$ 1,914,132	\$ 872,559	\$ 2,786,691

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – UNEARNED REVENUE

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Governmental Activities
Federal Government				
Categorical aid	\$ 362,655	\$ 118,041	\$ 480,696	\$ 480,696
State Government				
Other state sources	417,698	-	417,698	417,698
	\$ 780,353	\$ 118,041	\$ 898,394	\$ 898,394

NOTE 8 – TAX REVENUE ANTICIPATION NOTES

On July 12, 2022, the District issued Tax Revenue Anticipation Notes (TRANs), in the total amount of \$4,500,000. The TRANs are considered a general obligation of the District and are payable from property taxes and principal apportionment generated by the District, bear interest at 4.0 percent, and matured on June 30, 2023. TRANs activity for the fiscal year ended June 30, 2023, was as follows:

Description	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
2022-23 TRAN Series A	\$ -	\$ 4,500,000	\$ 4,500,000	\$ -
2022-23 Accrued interest & expense	-	174,000	174,000	-
Total	\$ -	\$ 4,674,000	\$ 4,674,000	\$ -

NOTE 9 – LONG-TERM LIABILITIES

Summary

The changes in the District’s long-term liabilities during the year consisted of the following:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Long-Term Liabilities					
General obligation bonds					
Principal balance	\$ 60,459,646	-	\$ 2,253,815	\$ 58,205,831	\$ 1,585,000
Accreted interest	1,486,178	824,993	-	2,311,171	-
Unamortized debt premiums	4,149,833	-	595,347	3,554,486	302,141
Certificates of participation	17,120,000	-	685,000	16,435,000	890,000
Lease liabilities	799,024	-	178,538	620,486	146,026
Net OPEB liability	6,762,488	574,449	-	7,336,937	-
Net pension liability	39,129,000	29,720,911	-	68,849,911	-
Compensated absences	1,140,362	143,653	-	1,284,015	1,284,015
Total	\$ 131,046,531	\$ 31,264,006	\$ 3,712,700	\$ 158,597,837	\$ 4,207,182

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – LONG-TERM LIABILITIES, continued

Summary, continued

The compensated absences, net pension liability and net OPEB liability will be paid from the General Fund. Payments on the General Obligation Bonds will be made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation will be made from the Capital Facilities and the El Dorado Schools Financing Authority CFD No. 1 Funds. Payments on lease liabilities will be made from the General Fund.

General Obligation Bonds

The District has four outstanding bond issuances from prior years. These outstanding obligations are comprised of current interest and capital appreciation bonds, bear interest between 0.375 and 5.45 percent and are scheduled to mature at various times through August 1, 2042.

A summary of General Obligation Bonds payable as of June 30, 2023 follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Series 2012	8/2/2012	8/1/2023	2.00% - 5.45%	\$ 14,999,904	\$ 103,815	\$ -	\$ 103,815	\$ -	-
Series 2016 (refunding)	11/8/2016	8/1/2034	2.00% - 5.00%	33,195,000	25,425,000	-	2,050,000	23,375,000	1,485,000
Series 2020 (refunding)	4/23/2020	8/1/2035	5.00%	13,590,000	13,490,000	-	100,000	13,390,000	100,000
Series 2020 (refunding) - Federally Taxable	9/29/2020	8/1/2042	0.375% - 3.620%	21,490,831	21,440,831	-	-	21,440,831	-
Accreted Interest				-	1,486,178	824,993	-	2,311,171	-
				\$ 83,275,735	\$ 61,945,824	\$ 824,993	\$ 2,253,815	\$ 60,517,002	\$ 1,585,000

In September 2020, the District issued General Obligation Refunding Bonds, Series 2020 in the amount of \$21,490,831 to refund a portion of the General Obligation Bonds, Election of 2008, Series 2012 and to pay cost of issuance costs of the Refunding Bonds. The General Obligation Bonds are payable from the ad valorem taxes to be levied annually upon all properly subject to taxation by the District.

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2023 are as follows:

Year Ended	Year Ended					
	June 30,	Principal	Interest	Accreted Interest	Total	
2024	\$	1,585,000	\$	1,719,949	\$ -	\$ 3,304,949
2025		1,595,000		1,640,449	-	3,235,449
2026		1,795,000		1,555,699	-	3,350,699
2027		2,010,000		1,460,574	-	3,470,574
2028		2,245,000		1,354,199	-	3,599,199
2029-2033		14,825,000		5,409,874	-	20,234,874
2034-2038		17,572,669		2,175,880	3,853,314	23,601,863
2039-2043		16,578,162		1,126,474	8,373,201	26,077,837
Accretion		2,311,171		-	(2,311,171)	-
Total	\$	60,517,002	\$	16,443,098	\$ 9,915,344	\$ 86,875,444

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – LONG-TERM LIABILITIES, continued

Certificate of Participation (COPs)

In November 2019, the District issued Refunding Certificates of Participation, Series 2019, for the purposes of a current refunding of the Current Interest portion of the 2009 COPs. The 2019 Refunding COPs bear interest ranging from 2.67% to 3.00% and mature through December 1, 2039.

In September 2020, the District issued Refunding Certificates of Participation, Series 2020, for the purposes of refunding the 2009 COPs. The 2020 Refunding COPs bear interest ranging from 0.445% to 2.298% and mature through December 1, 2030.

In July 2021, the District issued 2021 Energy Efficiency Projects, Certificates of Participation, in the amount of \$7,600,000. The 2021 COPs bear interest ranging from 1.00% to 2.25% and mature through December 1, 2041.

Year Ended				
June 30,	Principal	Interest	Total	
2024	\$ 890,000	\$ 342,966	\$ 1,232,966	
2025	915,000	332,224	1,247,224	
2026	935,000	322,813	1,257,813	
2027	655,000	313,015	968,015	
2028	680,000	302,972	982,972	
2029-2033	3,955,000	1,294,205	5,249,205	
2034-2038	4,965,000	774,661	5,739,661	
2039-2042	3,440,000	135,694	3,575,694	
Total	\$ 16,435,000	\$ 3,818,550	\$ 20,253,550	

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 – LONG-TERM LIABILITIES, continued

Lease Liabilities

In November 2017, the District entered into a lease agreement for the purchase of six buses. The lease is for \$964,795 to be repaid in 120 monthly installments that represent principal and interest. In July 2020, the District entered into a lease agreement for the purchase of data equipment. The lease is for \$241,745 to be repaid over 60 monthly installments that represent principal and interest. In February 2021, the District entered into lease agreements, totaling \$136,595, for the purchase of computer equipment. The leases will be repaid over 36 monthly installments that represent principal and interest. The following is a summary of future payments for lease liabilities:

Year Ended		Principal	Interest	Total
June 30,				
2024	\$	146,026	\$ 18,332	\$ 164,358
2025		149,446	14,914	164,360
2026		104,636	11,375	116,011
2027		108,298	7,713	116,011
2028		112,080	3,923	116,003
Total	\$	620,486	\$ 56,257	\$ 676,743

Compensated Absences

Total unpaid employee compensated absences as of June 30, 2023 amounted to \$1,284,015. This amount is included as part of long-term liabilities in the government-wide financial statements.

Net OPEB Liability

The District's beginning net OPEB liability was \$6,762,488, and increased to \$7,336,937 during the year ended June 30, 2023. See Note 10 for additional information regarding the net OPEB liability.

Net Pension liability

The District's beginning net pension liability was \$39,129,000, and increased by \$29,720,911 during the year ended June 30, 2023. See Note 13 for additional information regarding the net pension liability.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2023, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ 7,336,937	\$ 2,833,016	\$ 1,041,482	\$ 679,036

The details of each plan are as follows:

Plan Administration

In addition to the pension benefits described in Note 13, the District provides healthcare benefits to eligible employees who retire from the District, as part of a single employer defined benefit postemployment health care plan (Plan). The Plan is administered by the District and allows employees who retired after having achieved retirement eligibility requirements to continue receiving medical insurance coverage. The District's Board of Education has the authority to establish the requirements for paying for the Plan's benefits as they come due.

The District participates in the California School Boards Association (CSBA) GASB 45 Solutions Program to pre-fund OPEB liabilities. The CSBA GASB 45 Solutions Program is an agent multiple-employer plan consisting of an aggregation of single-employer plans. Public Agency Retirement Services (PARS) was appointed as administrator for the CSBA GASB 45 Solutions Program, and U.S. Bank was appointed as trustee. The CSBA GASB 45 Solutions Program serves as a qualified irrevocable trust for the accumulation of assets of member districts, to ensure that funds are dedicated to service the needs of employees and retirees. The District's contributions to the irrevocable trust established by the CSBA GASB 45 Solutions Program is included in the Public Agencies Post-Employment Benefits Trust financial statements. Copies of the Public Agencies Post-Employment Benefits Trust independent financial statements may be obtained from the Public Agency Retirement Services - 4350 Von Karman Ave - Newport Beach, CA 92660.

Plan Membership

At June 30, 2022, the valuation date, the Plan membership consisted of the following:

Inactive Employees Receiving Benefits	Number of Participants
	50
Active Employees	381
	<u>431</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Benefits Provided

The District offers limited post-employment retiree benefits to each of the three classes of employees. The major provisions of the plans are as follows:

Represented Certificated Staff who have at least 10 years with the district and have reached age 55 are eligible to receive the same benefit cap the district provides to current employees for health insurance for a period of 5 years or to age 65 whichever is first. Additionally, they may work 18 days a year for a payment of \$4,000. This article will remain active for employees hired on or before June 30, 2012 and will not be in effect for any employees hired beyond this date.

Represented Classified Staff who have at least 15 years with the district and have reached age 50 are eligible to receive the same benefit cap the district provides to current employees for health insurance for a period of 5 years or until they reach Medicare eligibility, whichever is first. This article will remain active for employees hired on or before June 30, 2012 and will not be in effect for any employees hired beyond this date.

Management Staff members who had at least 10 years with the district and had reached age 50 and who retire after October 1, 2005, will be eligible for one-time payments ranging from \$10,000 to \$30,000 depending on their length of their service. There will be no continued annual payments to them or guaranteed days of work. This article will remain active for employees hired on or before July 1, 2010 and will not be in effect for any employee hired beyond this date.

Expenditures for post-retirement healthcare benefits are recognized as the premiums are paid. Benefits are provided by the District on a pay-as-you-go basis. The District's Board of Education has the authority to change benefits. The Plan benefits through an agent multiple-employer OPEB plan that is administered by the Public Agency Retirement Services ("PARS")."

Contributions

Eligible employees are not permitted to make contributions to the Plan. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. Contributions to the Plan are voluntary, but the District contributes an amount sufficient to fully fund the net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District were \$423,907 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Total OPEB Liability of the District

The District's total OPEB liability of \$10,118,244 was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement, unless otherwise specified:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	4.58%
Discount rate	4.58%
Health care cost trend rate	2.75%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous and school employees were used.

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2022	\$ 9,423,254	\$ 2,660,766	\$ 6,762,488
Changes for the year:			
Service cost	491,517	-	491,517
Interest	449,210	-	449,210
Employer contributions	-	423,907	(423,907)
Changes of assumptions	178,170	-	178,170
Investment gains/losses	-	135,747	(135,747)
Administrative expense	-	(15,206)	15,206
Expected benefit payments	(423,907)	(423,907)	-
Net change	694,990	120,541	574,449
Balance June 30, 2023	\$ 10,118,244	\$ 2,781,307	\$ 7,336,937

Changes of assumptions and other inputs reflect a change in the discount rate from 4.75 in 2022 to 4.58 percent in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	Discount Rate 1% Lower (3.58%)	Current Discount Rate (4.58%)	Discount Rate 1% Higher (5.58%)
Net OPEB liability	\$ 8,421,048	\$ 7,336,937	\$ 6,389,572

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

	Trend Rate 1% Lower (1.75%)	Current Trend Rate (2.75%)	Trend Rate 1% Higher (3.75%)
Net OPEB liability	\$ 6,022,975	\$ 7,336,937	\$ 8,960,570

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 – TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY, continued

OPEB Expense and Deferred Outflows of Resource related to OPEB

At June 30, 2023, the District reported deferred outflows of resources and deferred inflow 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	\$ 219,025	\$ -
Differences between expected and actual experience	785,482	1,041,482
Change in assumptions	1,828,509	-
	<u>\$ 2,833,016</u>	<u>\$ 1,041,482</u>

For the year ended June 30, 2023, the District recognized OPEB expense of \$679,036.

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/(Inflows) of Resources
2024	\$ 289,552
2025	272,367
2026	337,378
2027	231,240
2028	227,878
Thereafter	433,119
	<u>\$ 1,791,534</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Capital Facilities Fund	for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 16,665	\$ -	\$ -	\$ 3,385	\$ 20,050
Stores inventory	39,018	-	-	-	39,018
Prepaid expenditures	489,980	-	-	-	489,980
Total non-spendable	545,663	-	-	3,385	549,048
Restricted					
Legally restricted programs	7,113,960	-	-	-	7,113,960
Debt service	-	-	-	2,675,834	2,675,834
Capital projects	-	5,844,449	10,967,952	2,075,127	18,887,528
Child nutrition	325,860	-	-	1,951,921	2,277,781
Student activity funds	-	-	-	606,896	606,896
Other restrictions	2,405,254	-	-	-	2,405,254
Total restricted	9,845,074	5,844,449	10,967,952	7,309,778	33,967,253
Committed					
Other commitments	5,670,000	-	-	-	5,670,000
Total committed	5,670,000	-	-	-	5,670,000
Assigned					
Other assignments	336,636	-	-	-	336,636
Total assigned	336,636	-	-	-	336,636
Unassigned					
Reserve for economic uncertainties	3,015,594	-	-	-	3,015,594
Remaining unassigned	3,386,852	-	-	-	3,386,852
Total unassigned	6,402,446	-	-	-	6,402,446
Total	\$ 22,799,819	\$ 5,844,449	\$ 10,967,952	\$ 7,313,163	\$ 46,925,383

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 12 – RISK MANAGEMENT

Schools Insurance Authority

The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Authority (SIA), for the operation of a common risk management and insurance program for property and liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

El Dorado Schools Financing Authority Community Facilities District

The following is a summary of financial information for SIA and EDSFACFD at June 30, 2023 (the most recent information available):

	SIA	EDSFACFD
Total assets	\$ 223,071,864	\$ 19,216,512
Total deferred outflows of resources	4,747,151	-
Total liabilities	106,527,925	-
Total deferred inflows of resources	1,649,206	-
Total net position	<u>\$ 119,641,884</u>	<u>\$ 19,216,512</u>
Total revenues	\$ 78,661,963	\$ 6,293,674
Total expenses	85,253,824	1,703,739
Change in net position	<u>\$ (6,591,861)</u>	<u>\$ 4,589,935</u>

The relationship between the District and the Joint Powers Authority is such that the Joint Powers Authority is not component unit of the District for financial reporting purposes.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS).

For the fiscal year ended June 30, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 40,031,837	\$ 14,207,302	\$ 10,220,458	\$ 2,950,357
CalPERS	28,818,074	9,644,022	1,376,280	3,579,750
Total	\$ 68,849,911	\$ 23,851,324	\$ 11,596,738	\$ 6,530,107

The details of each plan are as follows:

California State Teachers’ Retirement System (CalSTRS) Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers’ Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2023, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the District's total contributions were \$7,029,057.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

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

District's proportionate share of the net pension liability	\$	40,031,837
State's proportionate share of the net pension liability associated with the District		<u>20,048,061</u>
Total	\$	<u>60,079,898</u>

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively was 0.058 percent and 0.049 percent, resulting in an increase of 0.009 percent in the proportionate share.

For the year ended June 30, 2023, the District recognized pension expense of \$2,950,357. In addition, the District recognized pension expense and revenue of (\$1,499,435) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 1,958,901
Differences between expected and actual experience	32,838	3,001,057
Changes in assumptions	1,983,807	-
Net changes in proportionate share of net pension liability	5,161,600	5,260,500
District contributions subsequent to the measurement date	7,029,057	-
Total	<u>\$ 14,207,302</u>	<u>\$ 10,220,458</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

The 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 subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (770,394)
2025	(2,567,654)
2026	(3,341,935)
2027	4,190,427
2028	(414,966)
Thereafter	(137,691)
	\$ (3,042,213)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

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 future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	100%	

*20-year average

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 the contributions from plan members and employers will be made at statutory contribution rates. 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 occurred midyear. Based on these assumptions, the STRP'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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 67,988,907	\$ 40,031,837	\$ 16,819,064

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS) Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	25.37%	25.37%

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were \$3,644,605.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$28,818,074. The net pension liability was measured as of June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2022 and June 30, 2021 respectively was 0.084percent and 0.082 percent, resulting in a net increase in the proportionate share of 0.002 percent.

For the year ended June 30, 2023, the District recognized pension expense of \$3,579,750. At June 30, 2023, 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
Difference between projected and actual earnings on plan investments	\$ 3,402,629	\$ -
Differences between expected and actual experience	130,240	717,030
Changes in assumptions	2,131,798	-
Net changes in proportionate share of net pension liability	334,750	659,250
District contributions subsequent to the measurement date	3,644,605	-
Total	\$ 9,644,022	\$ 1,376,280

The 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 subsequent fiscal year.

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

The 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 subsequent fiscal year. The deferred outflows/(inflows) of resources related to pensions will be recognized as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,038,521
2025	862,604
2026	570,833
2027	2,151,179
	\$ 4,623,137

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

Actuarial Methods and Assumptions, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 13 – EMPLOYEE RETIREMENT SYSTEMS, continued

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan’s net pension liability	\$ 41,629,168	\$ 28,818,074	\$ 18,230,176

Tax Deferred Annuity/Social Security

As established by Federal law, all public sector employees who are not members of their employer’s existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee’s gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$3,216,085. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

Construction Commitments

As of June 30, 2023, the District had \$6,874,054 of commitments with respect to the unfinished capital projects:

NOTE 15 – RESTATEMENT OF FUND BALANCE

Restatements to beginning fund balances are as follows:

	General Fund	Non-Major Governmental Funds
Beginning Fund Balance - previously reported at June 30, 2022	\$ 18,482,106	\$ 5,224,484
COP proceeds deposited in the a Special Reserve For Capital Projects Fund, previously reported in General Fund	(3,088,676)	3,088,676
Beginning Fund Balance - as restated at June 30, 2022	<u>\$ 15,393,430</u>	<u>\$ 8,313,160</u>

NOTE 16 – SUBSEQUENT EVENT

Management has evaluated subsequent events through December 15, 2023, the date on which the financial statements were available to be issued, noting no items which require adjustment or disclosure other than those set forth in the preceding notes to the unaudited condensed financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EL DORADO UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 76,638,445	\$ 79,717,075	\$ 79,718,427	\$ 1,352
Federal sources	4,094,202	4,976,045	4,308,798	(667,247)
Other state sources	7,115,638	12,985,304	15,519,653	2,534,349
Other local sources	4,864,144	8,428,189	8,304,736	(123,453)
Total Revenues	92,712,429	106,106,613	107,851,614	1,745,001
EXPENDITURES				
Certificated salaries	37,936,628	38,209,733	37,870,793	338,940
Classified salaries	13,465,442	14,770,754	14,611,135	159,619
Employee benefits	24,336,500	24,464,779	23,564,050	900,729
Books and supplies	4,338,069	7,349,466	6,230,754	1,118,712
Services and other operating expenditures	12,544,884	16,411,347	13,277,706	3,133,641
Capital outlay	345,325	3,124,444	2,220,917	903,527
Other outgo				
Excluding transfers of indirect costs	2,843,584	3,029,450	2,822,377	207,073
Transfers of indirect costs	(68,322)	(84,844)	(78,119)	(6,725)
Total Expenditures	95,742,110	107,275,129	100,519,613	6,755,516
Excess (Deficiency) of Revenues Over Expenditures	(3,029,681)	(1,168,516)	7,332,001	8,500,517
Other Financing Sources (Uses):				
Other sources	-	74,475	74,475	-
Transfers out	(174,000)	(174,000)	(87)	173,913
Net Financing Sources (Uses)	(174,000)	(99,525)	74,388	173,913
NET CHANGE IN FUND BALANCE	(3,203,681)	(1,268,041)	7,406,389	8,674,430
Fund Balance - Beginning	18,482,106	18,482,106	18,482,106	-
Prior Period Adjustment	(3,088,676)	(3,088,676)	(3,088,676)	-
Fund Balance - Ending	\$ 12,189,749	\$ 14,125,389	\$ 22,799,819	\$ 8,674,430

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 491,517	\$ 515,200	\$ 467,185	\$ 281,525	\$ 273,990	\$ 266,657
Interest	449,210	527,733	491,178	326,259	312,415	300,910
Changes of assumptions	178,170	869,025	319,171	1,153,021	-	-
Difference between expected and actual experience	-	(1,280,904)	-	1,240,838	-	-
Benefit payments	(423,907)	(256,322)	(363,435)	(328,221)	(390,664)	(375,638)
Net change in total OPEB liability	694,990	374,732	914,099	2,673,422	195,741	191,929
Total OPEB liability, beginning of year	9,423,254	9,048,522	8,134,423	5,461,001	5,265,260	5,073,331
Total OPEB liability, end of year (a)	\$ 10,118,244	\$ 9,423,254	\$ 9,048,522	\$ 8,134,423	\$ 5,461,001	\$ 5,265,260
Plan fiduciary net position						
Employer contributions	\$ 423,907	\$ 256,322	\$ 363,435	\$ 328,221	\$ 390,664	\$ 477,483
Investment income	152,557	-	478,825	64,765	95,452	127,038
Investment gains/losses	(16,810)	-	-	-	-	-
Administrative expense	(15,206)	(16,391)	(15,100)	(12,538)	(6,050)	(5,873)
Expected benefit payments	(423,907)	(256,322)	(363,435)	(328,221)	(390,664)	(375,638)
Other	-	(356,721)	-	-	-	-
Change in plan fiduciary net position	120,541	(373,112)	463,725	52,227	89,402	223,010
Fiduciary trust net position, beginning of year	2,660,766	3,033,878	2,570,153	2,517,926	2,428,524	2,205,514
Fiduciary trust net position, end of year (b)	\$ 2,781,307	\$ 2,660,766	\$ 3,033,878	\$ 2,570,153	\$ 2,517,926	\$ 2,428,524
Net OPEB liability, ending (a) - (b)	\$ 7,336,937	\$ 6,762,488	\$ 6,014,644	\$ 5,564,270	\$ 2,943,075	\$ 2,836,736
Covered payroll	\$ 25,467,118	\$ 25,908,383	\$ 28,071,261	\$ 33,908,442	\$ 27,539,742	\$ 29,255,902
Plan fiduciary net position as a percentage of the total OPEB liability	27%	28%	34%	32%	46%	46%
Net OPEB liability as a percentage of covered payroll	29%	26%	21%	16%	11%	10%

Note: In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CaSTRS					
District's proportion of the net pension liability	0.058%	0.049%	0.057%	0.056%	0.056%
District's proportionate share of the net pension liability	\$ 40,031,837	\$ 22,373,000	\$ 54,859,000	\$ 50,576,000	\$ 51,920,000
State's proportionate share of the net pension liability associated with the District	20,048,061	13,312,000	29,980,000	27,593,000	29,727,000
Total	\$ 60,079,898	\$ 35,685,000	\$ 84,839,000	\$ 78,169,000	\$ 81,647,000
District's covered - employee payroll	\$ 30,096,000	\$ 27,464,000	\$ 30,272,000	\$ 31,316,000	\$ 30,914,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	133%	81%	181%	162%	168%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%
	Reporting Fiscal Year (Measurement Date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CaIPERS					
District's proportion of the net pension liability	0.084%	0.082%	0.086%	0.086%	0.087%
District's proportionate share of the net pension liability	\$ 28,818,074	\$ 16,756,000	\$ 26,499,000	\$ 25,081,000	\$ 23,120,000
District's covered - employee payroll	\$ 12,880,000	\$ 11,877,000	\$ 12,451,000	\$ 12,260,000	\$ 11,672,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	224%	141%	213%	205%	198%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

Note: In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.057%	0.061%	0.063%	0.062%
District's proportionate share of the net pension liability	\$ 52,447,000	\$ 49,682,000	\$ 42,453,000	\$ 36,231,000
State's proportionate share of the net pension liability associated with the District	31,027,000	28,286,000	22,439,000	24,437,000
Total	\$ 83,474,000	\$ 77,968,000	\$ 64,892,000	\$ 60,668,000
District's covered - employee payroll	\$ 30,057,000	\$ 30,613,000	\$ 29,250,000	\$ 29,489,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	174%	162%	145%	123%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.090%	0.097%	0.098%	0.096%
District's proportionate share of the net pension liability	\$ 21,509,000	\$ 19,127,000	\$ 14,418,596	\$ 10,841,575
District's covered - employee payroll	\$ 11,488,000	\$ 11,619,000	\$ 10,733,000	\$ 10,024,000
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	187%	165%	134%	108%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

Note: In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

CalSTRS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 7,029,057	\$ 5,748,307	\$ 5,245,583	\$ 5,488,259	\$ 5,098,245
District's contributions in relation to the statutorily required contribution	7,029,057	5,748,307	5,245,583	5,488,259	5,098,245
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 41,542,890	\$ 30,096,000	\$ 27,464,000	\$ 30,272,000	\$ 31,316,000
District's contributions as a percentage of covered-employee payroll	16.92%	19.10%	19.10%	18.13%	16.28%

CalPERS	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 3,644,605	\$ 2,950,813	\$ 2,458,630	\$ 2,455,446	\$ 2,214,317
District's contributions in relation to the statutorily required contribution	3,644,605	2,950,813	2,458,630	2,455,446	2,214,317
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,908,359	\$ 12,880,000	\$ 11,877,000	\$ 12,451,000	\$ 12,260,000
District's contributions as a percentage of covered-employee payroll	22.91%	22.91%	20.70%	19.72%	18.06%

Note: In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2023**

	Reporting Fiscal Year			
	2018	2017	2016	2015
CalSTRS				
Statorily required contribution	\$ 4,460,871	\$ 3,781,171	\$ 3,284,778	\$ 2,597,444
District's contributions in relation to the statorily required contribution	4,460,871	3,781,171	3,284,778	2,597,444
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 30,914,000	\$ 30,057,000	\$ 30,613,000	\$ 29,250,000
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%
	Reporting Fiscal Year			
	2018	2017	2016	2015
CalPERS				
Statorily required contribution	\$ 1,812,812	\$ 1,595,683	\$ 1,376,449	\$ 1,263,245
District's contributions in relation to the statorily required contribution	1,812,812	1,595,683	1,376,449	1,263,245
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,672,000	\$ 11,488,000	\$ 11,619,000	\$ 10,733,000
District's contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%

Note: In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. 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.

Schedule of Changes in the Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The discount rate changed from 4.75% to 4.58% and health care cost trend rate changed from 4.00% to 2.75% from the previous valuation.

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – The discount rate went from 7.15% as of June 30, 2022 to 6.90% as of June 30, 2023 for CalPERS. There were no changes in discount rate since the previous valuation for CalSTRS.

Schedule of Contributions – Pension

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, the District did not incur an excess of expenditures over appropriations in General Fund presented in the Budgetary Comparison Schedule by major object code.

SUPPLEMENTARY INFORMATION

**EL DORADO UNION HIGH SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2023**

ORGANIZATION

El Dorado Union High School District is located in El Dorado County, California and operated four comprehensive high schools, two continuation schools, and one charter school. The District also offers Independent Study and Regional Occupation Programs. There have been no changes in the District's boundaries as of June 30, 2023.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2023, were as follows:

GOVERNING BOARD		
Name	Office	Term Expires
Jessica K. Rodgers	President	December 2026
Timothy M. Cary	Clerk	December 2026
David J. del Rio	Member	December 2024
Brooke B. Van Komen	Member	December 2026
Lori M. Veerkamp	Member	December 2024

ADMINISTRATION
Ron Carruth <i>Superintendent</i>
Robert Whittenberg <i>Assistant Superintendent Business Services</i>
Leslie Redkey <i>Assistant Superintendent Educational Services</i>
Tony Deville <i>Assistant Superintendent Human Resources</i>
Pam Barlett <i>Senior Director Student Success</i>
Chuck Palmer <i>Senior Director Student Services and Innovation</i>

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
Child Nutrition : School Programs	10.553	13525	\$ 940,906
National School Lunch Program Equipment Assistance Grants	10.579	14906	7,004
Total Child Nutrition Cluster			947,910
<i>Passed Through California Department of Education</i>			
Forest Reserve Funds	10.665	10044	172,863
Total U.S. Department of Agriculture			1,120,773
 U.S. Department of Education:			
<i>Passed Through California Department of Education</i>			
Special Education Cluster:			
IDEA Local Assistance - Private Schools	84.027	10115	
IDEA Basic Local Assistance	84.027	13379	602,169
IDEA Mental Health	84.027A	15197	249,981
IDEA ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	152,131
Total Special Education Cluster			1,004,281
Education Stabilization Funds			
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	-
Elementary and Secondary School Relief II (ESSER II) Fund	84.425	15547	11,246
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	1,178,279
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	277,354
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	10,810
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	2,428
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	344,942
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	12,910
Total Education Stabilization Funds			1,837,969
Title I Part A	84.010	14329	590,568
ESSA: School Improvement Funding for LEAs	84.010	15438	191,441
Carl D Perkins Career & Technical Education	84.048	14894	137,813
Title III, Immigrant Student Program	84.365	15146	2,997
Title II, Part A, Supporting Effective Instruction	84.367	14341	149,387
Title IV Student Support & Academic Enrichment	84.424	15396	29,612
Total U.S. Department of Education			3,944,068
Total Federal Financial Assistance			\$ 5,064,841

See note to supplementary information.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Second Period Report	Annual Report
	Certification No. (5F9FD183)	Certification No. (5B539B5F)
El Dorado Union High School District		
Regular ADA		
Ninth through twelfth	6,111.43	6,073.85
Total Regular ADA	6,111.43	6,073.85
Extended Year Special Education		
Ninth through twelfth	0.65	0.65
Total Extended Year Special Education	0.65	0.65
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	24.78	24.69
Total Special Education, Nonpublic, Nonsectarian Schools	24.78	24.69
Extended Year Special Education - Nonpublic		
Ninth through twelfth	0.86	1.91
Total Extended Year Special Education - Nonpublic	0.86	1.91
Total District ADA	6,137.72	6,101.10
	Second Period Report	Annual Report
	Certification No. (732190F7)	Certification No. (4B77AACA)
El Dorado Union High School District Virtual Academy at Shenandoah		
Regular ADA - Non Classroom Based		
Ninth through twelfth	96.34	95.36
Total Regular ADA	96.34	95.36
Total Charter School ADA	96.34	95.36

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2023**

El Dorado Union High School District

Grade Level	Minutes Requirement	2022-23	Number of Days		Status
		Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grade 9	64,800	64,969	180	N/A	Complied
Grade 10	64,800	64,969	180	N/A	Complied
Grade 11	64,800	64,969	180	N/A	Complied
Grade 12	64,800	64,969	180	N/A	Complied

El Dorado Union High School District Virtual Academy at Shenandoah

Grade Level	Number of Days		Status
	Traditional Calendar	Multitrack Calendar	
Grade 9	180	N/A	Complied
Grade 10	180	N/A	Complied
Grade 11	180	N/A	Complied
Grade 12	180	N/A	Complied

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

	2024 (Budget)	2023	2022	2021
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	\$ 103,942,994	\$ 107,926,089	\$ 102,380,086	\$ 87,348,748
Expenditures and Other Financing Uses	105,772,483	100,519,700	97,419,064	80,386,710
Net Change in Fund Balance	(1,829,489)	7,406,389	4,961,022	6,962,038
Ending Fund Balance	\$ 24,059,006	\$ 25,888,495	\$ 18,482,106	\$ 13,521,084
Available Reserves*	\$ 9,534,846	\$ 6,402,446	\$ 12,497,713	\$ 8,984,187
Available Reserves as a Percentage of Outgo	9.0%	6.4%	12.8%	11.2%
Long-term Debt	\$ 154,390,655	\$ 158,597,837	\$ 131,046,531	\$ 166,413,180
Average Daily				
District ADA	6,003	6,138	6,214	6,367
Charter ADA	85	96	102	103
Total ADA at P-2	6,088	6,234	6,316	6,470

The General Fund balance has increased by \$12,367,411 over the past two years. The fiscal year 2023-2024 budget projects a decrease of \$1,829,489, or 7.07%. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating deficit during the 2023-2024 fiscal year. Total long-term liabilities have decreased by \$7,815,343 over the past two years.

Total average daily attendance has decreased by 236 over the past two years. Additional decline of 146 ADA is anticipated during fiscal year 2023-2024.

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

**EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

There were no reconciling items between the Unaudited Actual Financial Report and the audited financial statements.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023**

Charter School	Number	Included in Audit Report
El Dorado Union High School District Virtual Academy at Shenandoah	0366	Included in General Fund

**EL DORADO UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Special Revenue Funds		Capital Projects Funds	Debt Service Funds	Total Non-Major Governmental Funds
	Student Activity Special Revenue Fund	Cafeteria Special Revenue Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	
ASSETS					
Cash and cash equivalents	\$ 606,896	\$ 1,501,780	\$ 2,075,127	\$ 2,675,834	\$ 6,859,637
Accounts receivable	-	595,850	-	-	595,850
Total Assets	\$ 606,896	\$ 2,097,630	\$ 2,075,127	\$ 2,675,834	\$ 7,455,487
LIABILITIES					
Accounts Payable	\$ -	\$ 24,283	\$ -	\$ -	\$ 24,283
Unearned revenue	-	118,041	-	-	118,041
Total Liabilities	-	142,324	-	-	142,324
FUND BALANCES					
Nonspendable	-	3,385	-	-	3,385
Restricted	606,896	1,951,921	2,075,127	2,675,834	7,309,778
Total Fund Balances	606,896	1,955,306	2,075,127	2,675,834	7,313,163
Total Liabilities and Fund Balances	\$ 606,896	\$ 2,097,630	\$ 2,075,127	\$ 2,675,834	\$ 7,455,487

**EL DORADO UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds		Capital Projects	Debt Service	Total Non-Major Governmental Funds
	Student Activity	Cafeteria Special	Funds	Funds	
	Special Revenue Fund	Revenue Fund	for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	
REVENUES					
Federal sources	\$ -	\$ 940,906	\$ -	\$ -	\$ 940,906
Other state sources	-	2,098,122	-	-	2,098,122
Other local sources	1,092,311	238,880	73,748	3,434,352	4,839,291
Total Revenues	1,092,311	3,277,908	73,748	3,434,352	7,878,319
EXPENDITURES					
Current					
Pupil services					
Food services	-	2,515,931	-	-	2,515,931
General administration					
All other general administration	-	78,119	-	-	78,119
Plant services	-	5,945	1,398	-	7,343
Facilities acquisition and maintenance	-	-	1,218,246	-	1,218,246
Ancillary services	1,064,790	-	-	-	1,064,790
Debt service					
Principal	-	-	-	2,150,000	2,150,000
Interest and other	-	-	-	1,843,974	1,843,974
Total Expenditures	1,064,790	2,599,995	1,219,644	3,993,974	8,878,403
Excess (Deficiency) of Revenues Over Expenditures	27,521	677,913	(1,145,896)	(559,622)	(1,000,084)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	87	-	-	87
Net Financing Sources (Uses)	-	87	-	-	87
NET CHANGE IN FUND BALANCE	27,521	678,000	(1,145,896)	(559,622)	(999,997)
Fund Balance - Beginning	579,375	1,277,306	132,347	3,235,456	5,224,484
Adjustment for restatement	-	-	3,088,676	-	3,088,676
Fund Balance - Beginning, as restated	579,375	1,277,306	3,221,023	3,235,456	8,313,160
Fund Balance - Ending	\$ 606,896	\$ 1,955,306	\$ 2,075,127	\$ 2,675,834	\$ 7,313,163

See note to supplementary information.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES

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 Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the El Dorado Union High School District (the District) under programs of the federal government for the year ended June 30, 2023. The information 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies – Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

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 Unaudited Actual Financial Report to the audited financial statements

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 – PURPOSE OF SCHEDULES, continued

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.

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 School District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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

Board of Trustees
El Dorado Union High School District
Placerville, 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, the business-type activities, each major fund, and the aggregate remaining fund information of El Dorado Union High School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the El Dorado Union High School District's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Dorado Union High 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 El Dorado Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of El Dorado Union High 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Dorado Union High 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.

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023



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

Board of Trustees
El Dorado Union High School District
Placerville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Dorado Union High 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 El Dorado Union High School District's major federal programs for the year ended June 30, 2023. El Dorado Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, El Dorado Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on El Dorado Union High School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about El Dorado Union High School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 15, 2023



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
El Dorado Union High School District
Placerville, California

Report on Compliance

Opinion on State Compliance

We have audited El Dorado Union High School District's (District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, El Dorado Union High School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors’ Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the 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:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Not applicable
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Not applicable
P. Transportation Maintenance of Effort	Yes

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools, continued:	
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	Not applicable
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Not applicable
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Finding #2023-001 to #2023-003. Our opinion on state compliance is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

 CWDL, Certified Public Accountants

San Diego, California
December 15, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2023**

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the auditors report?	No
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:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.553, 10.579	Child Nutrition Cluster
84.425C, 84.425D, 84.425U, 84.425	Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

**EL DORADO UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2023.

**EL DORADO UNION HIGH SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE

50000

AB3627 FINDING TYPES

Federal Compliance

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

FINDING #2023-001 – INDEPENDENT STUDY PROGRAM (40000)

Criteria or Specific Requirement

As a condition of apportionment for independent study, Education Code §51747(g) requires a written agreement for each student participating in the program to be signed by the “pupil, the pupil’s parent or legal guardian, the certificated employee designated as having responsibility for the general supervision of independent study, and all persons having direct responsibility for providing assistance to the pupil” prior to the commencement of independent study for a pupil that participated in more than 14 days, or within 10 days of commencement if a student is scheduled for fewer than 15 school days.

In addition, short-term independent study can only be awarded for students enrolled in 14 or few days during the school year.

Condition

In our review of the District’s short-term independent study program operated, we noted that 5 out of 20 students tested did not have a conforming contract in place that included all required elements including signatures of parent and student.

Effect

The District has an overstatement of ADA generated from short-term independence study.

Cause

Employees overseeing independent study are not familiar with all the requirements.

Fiscal Impact

None. The District will revise P-2 to include all adjustments.

Context

We tested 20 students across 3 school sites.

Repeat Finding

Yes

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-001 – INDEPENDENT STUDY PROGRAM (40000), continued

Recommendation

We recommend that the district provide training specific to independent study for all employees involved in the independent study process.

Views of Responsible Officials

The District will be working with all staff to ensure Independent Study laws are known. The District provided a training at the beginning of the 23/24 fiscal year with School Services of California reviewing Independent Study and attendance laws. Trainings such as that will continue as needed. The District will also be working with CWDL to ensure contract language is correct and follows all laws.

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-002 – APPROVED DIGITAL SIGNATURE (10000)

Criteria or Specific Requirement

For school districts, their attendance systems are approved by the California Department of Education. The District had its Aeries Electronic Attendance system approved in 2015. While the approval of electronic system was approved, it requires manual signatures by certificated staff as support for ADA. Districts can request and obtain approval to use “electronic signatures” by certificated staff, however, that is a separate request that must be audited and approved before use.

Condition

We noted that the District utilized electronic signatures as support for attendance, but did not have the proper electronic signatures in place.

Cause

During the COVID-19 pandemic, all Districts were granted temporary approval to operate with electronic signatures. After that authorization expired, the District continued to utilize the electronic signatures, with some confusion over the approval of the “electronic attendance system” vs. the “electronic signature” use.

Effect

Noncompliance with Education Code.

Fiscal Impact

None noted

Context

All school sites operated under the electronic signature process.

Repeat Finding

No

Recommendation

We recommend that the district continue with its audit and submission request for authorization to operate with electronic signature.

Views of Responsible Officials

The District will be contracting with CWDL to complete the electronic signature application packet, so it can be submitted to CDE.

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-003 – RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS (60000)

Criteria or Specific Requirement

For school districts, verify that the school district is in compliance with the administrative employee-to-teacher ratio requirement for the year audited by determining that the employees were properly classified and the ratio was calculated consistent with the definitions in Education Code section 41401 and the procedures of Education Code section 41403.

Condition

We noted that based on the District's administrative employee-to-teacher ratio analysis that the number of administrative employees per hundred teachers exceed the allowable ration set forth in Education Code section 41402, which for the District is 7.

Cause

The District exceeded the allowable ratio due in part to school-sites instructional support positions (but are not assigned a classroom or carrying a roster) and school support staff who are considered administrators for purposes of the ratio calculation.

Effect

Noncompliance with Education Code.

Fiscal Impact

The district calculated penalty equaled \$152,126.

Context

The District exceeded its allowable ratio by 1 FTE.

Repeat Finding

No

Recommendation

We recommend that the district monitor and ensure compliance with the required ratios.

Views of Responsible Officials

The District added administrator positions to help mitigate the chronic discipline issues that have arisen since coming back to in person instruction. The District will identify administrator positions that can be reduced to bring the District back into compliance with the ratio.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

FINDING #2022-001 – INDEPENDENT STUDY (40000)

Criteria

The ADA for traditional independent study that exceeds the pupil to FTE certificated employee ratio pursuant to EC Section 51745.6 is not funded and should be deducted from the amount of ADA entered by grade span on Line A-1 of the school district's P-2 and Annual Attendance School District. Excess ADA should be reported by grade span on Line B-2 of the school district's P-2 and Annual Attendance School District Principal Apportionment Data Collection (PADC) data entry screen.

Condition

The District's Independent Study Ratio calculation reported excess ADA of 26.9 and was not deducted from the amount of ADA entered by grade span on Line A-1. Further, the excess ADA was not reported on Line B-2 of the school district's P-2 and Annual Attendance School District PADC data entry screen.

Context

We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Questioned Costs

Excess funding of approximately \$282,000.

Effect

The effect of this finding is the District claimed ADA in excess of allowable amounts.

Cause

The District did not accurately report the excess ADA.

Recommendation

The District should accurately report the excess ADA on proper lines of the P-2 and Annual Attendance Reports. In addition, the District should revise the P-2 and Annual Attendance Reports.

Corrective Action Plan and Views of Responsible Officials

In response to opening schools full time and keeping students engaged in instruction, the District had more students opt-in to Independent Study. The District is working to ensure Independent Study is reported in a timely manner to ensure compliance and to stay within the allowable ratio for future years.

Current Status

See Finding #2023-001.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-002 – CONTINUATION EDUCATION (40000)

Criteria

Not more than 10 percent of each continuation high school's ADA at P-2 is allowed to be generated through independent study as provided in Education Code section 51745(b).

Condition

At Independence High School, 12.08 ADA were claimed for independent study, which is 4.38 ADA more than the maximum 10% or 7.70 ADA.

Context

We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

The effect of this finding is an overstatement of 4.38 ADA for the 9-12 grade span.

Cause

The errors were the result of inadequate recording keeping.

Questioned Costs

Fiscal impact is \$46,061.

Recommendation

The District should enforce controls to ensure no more than 10% of ADA is claimed for independent study. In addition, the District should revise the P-2 and Annual Attendance Reports.

Views of Responsible Officials and Planned Corrective Actions

In response to opening schools full time and keeping students engaged in instruction, the District had more students opt-in to Independent Study. The District is working with continuation education to ensure no more than 10% of students enroll in Independent Study during the school year.

Current Status

Implemented.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2022-003 – EXPANDED LEARNING OPPORTUNITIES GRANT (ELOG) (40000)

Criteria

The District is required to submit the ELOG plan, to the County Office of Education, describing how the apportioned funds would be used within 5 days of adoption pursuant to subdivision (e) of Education Code section 43522.

Condition

The District adopted the ELOG plan at the May 11, 2021 board meeting however did not submit to the County Office of Education until May 19, 2021, which is in excess of the allowed 5 days.

Context

We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

No effect.

Cause

The District did not submit the plan within the required time.

Questioned Costs

Not applicable.

Recommendation

The District should ensure the plan is submitted to the County Office of Education within 5 days of adoption.

Views of Responsible Officials and Planned Corrective Actions

The District will be submitting all required plans and documentation to our county oversight the day directly after a board meeting.

Current Status

Implemented.