

EL DORADO UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

EL DORADO UNION HIGH SCHOOL DISTRICT
 FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2021
 (Continued)

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Dorado Union High School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise El Dorado Union High School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of El Dorado Union High School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$719,089. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 14 and other Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of the District's Contributions on pages 51 to 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 El Dorado Union High School District's basic financial statements. The accompanying Schedule of Expenditure of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditure of Federal Awards and supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, 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 Schedule of Expenditure of Federal Awards and supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 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 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.


Crowe LLP

Sacramento, California
January 31, 2022

EL DORADO UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The discussion and analysis of El Dorado Union High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1, notes to the basic financial statements and the District's financial statements, as listed in the table of contents.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

- General Fund revenues and other sources exceed expenditures and other uses by \$6.9 million ending the year with a fund balance of \$13.5 million and available reserves of \$8.9 million.
- The total of the District's fixed assets, land, site, buildings and equipment, valued on an acquisition cost basis was \$194 million. After depreciation, the June 30, 2021 book value for fixed assets totaled \$104 million.
- In complying with GASB 68, the District recognized its portion of the unfunded STRS and PERS pension liabilities for the first time in 2014-2015. These liabilities are based on the most recent actuarial valuations. The District's portion of the unfunded STRS and PERS pension liability increased by \$5,701,000 in 2020-2021 and is reported in the Statement of Net Position.
- With the implementation of GASB 75, the District recognized the entire unfunded net OPEB liability in prior fiscal years. This liability is based on the most recent actuarial valuation. The current year activity was an increase of the net OPEB liability of \$450,374 and is reported in the Statement of Net Position.

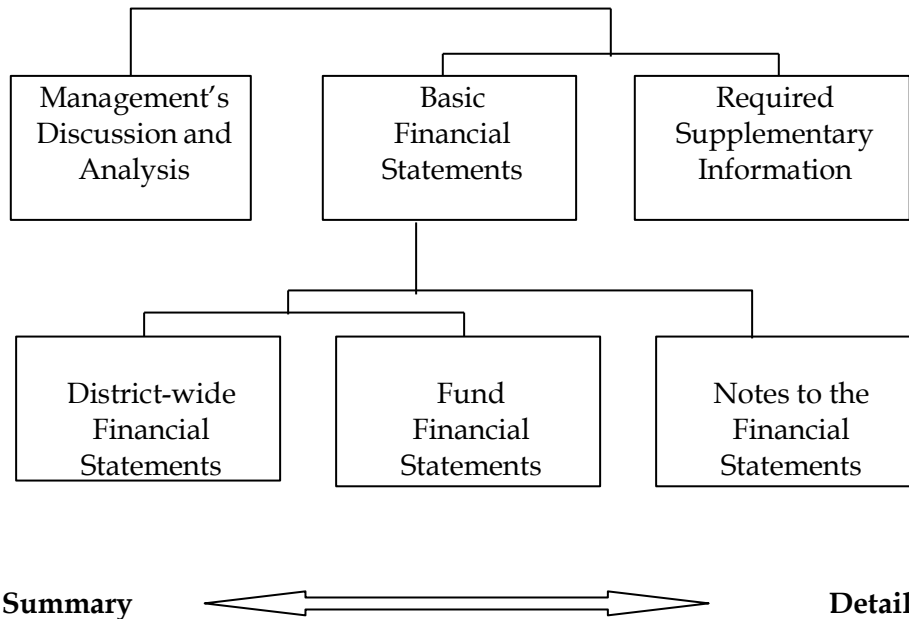
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the El Dorado Union High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Components of the Financial Section



The first two statements are *district-wide financial statements*, the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's more significant funds with all other non-major funds presented in total in one column. A comparison of the District's general fund budget is included.

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

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide 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 using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2020-2021?"

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools to assess the overall health of the District.

- ◆ Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- ◆ Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Reporting the District's Most Significant Funds

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 to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

◆ **Governmental Funds**

All of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund and the El Dorado Schools Financing Authority CFD No. 1 Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

The District's net position was a deficit \$14.3 million at June 30, 2021. This amount includes an unrestricted deficit of \$64.7 million. Net investment in capital assets, account for \$29.7 million of the total net position. A comparative analysis of government-wide data is presented in Table 1.

**Table 1
Comparative Statement of Net Position**

	<u>Governmental Activities</u>	
	2020	2021
ASSETS		
Cash	\$ 14,108,498	\$ 26,792,712
Receivables	5,745,849	14,381,978
Prepaid Expenses	490,251	553,166
Stores inventory	26,239	15,280
Capital assets	104,414,390	103,506,960
Total assets	129,871,849	145,250,096
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on pensions	17,747,705	17,049,213
Deferred outflows on OPEB	2,273,031	2,316,096
Deferred payments on debt refunding	1,201,954	4,045,817
Total deferred outflows of resources	21,222,690	23,411,126
LIABILITIES		
Accounts payable	1,140,762	2,267,000
TRANs	-	8,935,000
Unearned revenue	239,466	1,103,707
Long-term liabilities	159,118,924	166,413,180
Total liabilities	160,499,152	178,718,887
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on OPEB	-	260,055
Deferred inflows on pensions	7,262,000	3,963,000
Total deferred inflows of resources	7,262,000	4,223,055
NET POSITION		
Net investment in capital assets	42,077,121	29,701,690
Restricted	14,173,387	20,722,937
Unrestricted (deficit)	(72,917,121)	(64,705,347)
Total net position	\$ (16,666,613)	\$ (14,280,720)

EL DORADO UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The District's net position increased \$1.7 million this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 70% of total expenses. The administrative activities of the District accounted for 7% of total costs. The remaining 23% was spent in the areas of plant services and other expenses, interest on long-term debt, other outgo and unallocated depreciation expense. (See Figure 2).

**Table 2
Comparative Statement of Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2021</u>
REVENUES		
Program revenues	\$ 14,276,238	\$ 22,061,190
General revenues		
Taxes levied for general purposes	35,563,161	36,623,780
Taxes levied for debt service	4,178,817	3,730,224
Taxes levied for other specific purposes	2,050,316	2,116,626
Federal and State aid not restricted to specific purposes	32,277,433	31,206,944
Interest and investment earnings	16,065	51,992
Miscellaneous	<u>1,504,586</u>	<u>1,922,858</u>
Total revenues	<u>89,866,616</u>	<u>97,713,614</u>
 EXPENSES		
Instruction	46,127,552	47,358,674
Instruction related services	8,879,836	8,097,739
Pupil support services	11,863,474	11,814,773
General administration	5,666,079	6,330,469
Plant services	8,663,418	8,952,500
Other	<u>12,592,125</u>	<u>13,492,655</u>
Total expenses	<u>93,792,484</u>	<u>96,046,810</u>
 Change in net position	<u>\$ (3,925,868)</u>	<u>\$ 1,666,804</u>

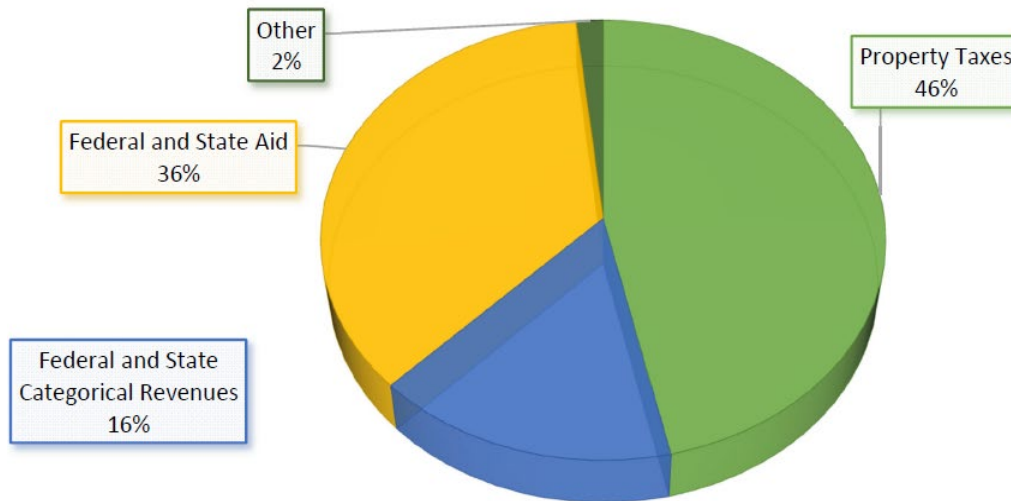
EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONCLUDED)

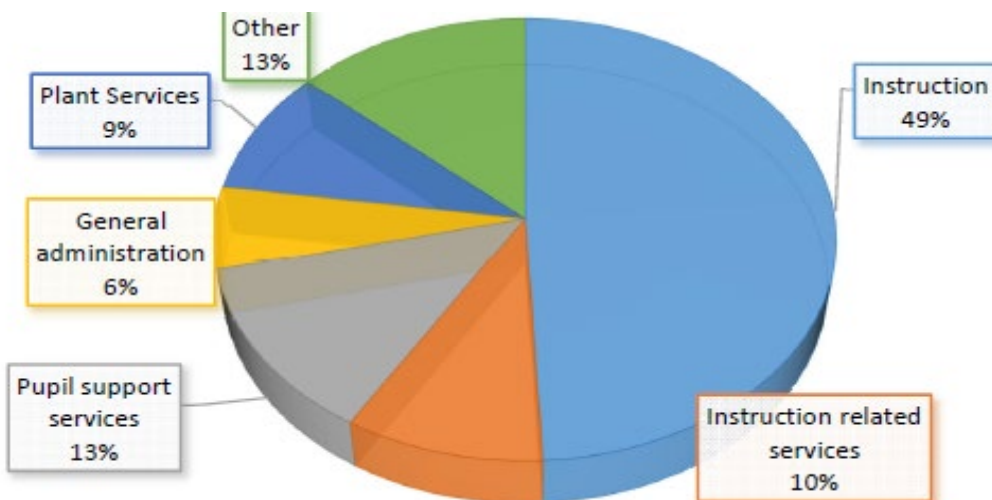
Governmental Activities

As reported in the Statement of Activities, the revenues of all of the District's governmental activities this year was \$97.7 million. The amount that our local taxpayers financed for these activities through property taxes was \$42.5 million. Federal and State aid not restricted to specific purposes totaled \$31.2 million. State and Federal Categorical revenue totaled \$20.6 million. Other miscellaneous revenues and interest totaled \$3.4 million (See Figure 1).

**Source of Revenue for the 2020-21 Fiscal Year
Figure 1**



**Expenses for the 2020-2021 Fiscal Year
Figure 2**



EL DORADO UNION HIGH SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's Governmental Funds reported a combined fund balance of \$30.2 million, an increase of \$9.5 million from the previous fiscal year. The General Fund balance increased by \$6,962,038.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on a regular basis. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of \$6.9 million.

The District ended the year with \$13.5 million in the General Fund ending balance, of which \$2.4 million is reserved for economic uncertainties and \$6.6 million is undesignated. The remaining balance is made up of restricted and assigned fund balances. The State recommends an ending reserve for economic uncertainties of 3 percent of total expenditures and other outgo. The District's ending reserve for economic uncertainties for 2020-2021 was 11.2 percent.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2020-2021 fiscal year, the District had invested \$193.4 million in a broad range of capital assets, including school buildings, athletic facilities, administrative buildings, site improvements, vehicles, and equipment. The capital assets net of depreciation were \$103.5 million at June 30, 2021, which is a decrease of \$6.0 million from the previous year.

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Concluded)

**Table 3
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2021 and 2020**

	2021	2020	Difference Increase (Decrease)
Land	\$ 4,197,064	\$ 4,197,064	\$ -
Site Improvements	7,833,157	8,719,756	(886,599)
Buildings	87,468,117	91,857,021	(4,388,904)
Machinery and Equipment	3,936,023	3,837,613	98,410
Work in Process	72,599	889,558	(816,959)
Totals	\$ 103,506,960	\$ 109,501,012	\$ (5,994,052)

Current year additions include the completion of various projects at various sites and purchases of various equipment items. Work in Process was completed on multiple projects and was capitalized.

Long-Term Debt

At June 30, 2021, the District had \$166.4 million in long-term debt outstanding.

**Table 4
Comparative Schedule of Outstanding Debt
June 30, 2021 and 2020**

	2021	2020
General Obligation Bonds	\$ 62,481,412	\$ 57,232,303
Accreted interest	214,593	8,324,938
Unamortized premiums	4,442,276	4,730,106
Certificates of Participation	9,940,000	5,866,002
Capitalized lease obligation	987,399	797,434
Other postemployment benefits	6,014,644	5,564,270
Compensated absences	974,856	946,871
Net pension liability	81,358,000	75,657,000
Totals	\$ 166,413,180	\$ 159,118,924

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

Long-Term Debt (Concluded)

The District's share of the STRS and PERS unfunded liability increased \$5,701,000 in 2020-2021.

FACTORS BEARING ON THE DISTRICT'S FUTURE

State funding for schools is governed largely by Proposition 98, passed by voters in 1988 and modified in 1990. Economic indicators such as energy prices, interest rates and unemployment rate remain positive although there are clear signs that the economy is slowing and economists predict a cyclical recession in the near future. California has enjoyed steady General Fund growth since 2010 and the end of the Great Recession. The current economic expansion is in its 125th month (as of November 2019) the second longest in history. However, unlike previous expansions, growth in the Gross Domestic Product (GDP) has not exceeded 3% in any month during this time. The condition of the state budget depends on many volatile and unpredictable economic conditions including fluctuations in the stock market.

On November 8th, 2016 the voters of California approved Proposition 55 which extended taxes upon the top wage earners in California. While this brings additional revenue into the State's treasury, it does mean that State remains reliant on a volatile source of revenue contingent upon the good fortunes of the top 1% income earners. Overall, the State appears to have adequate reserves to temporarily cover a mild recession, when it occurs, without having to cut funding to schools although the legislature and the Governor would have the final say on any cuts to state funding.

For El Dorado Union High School District, the focus in FY 2020-21 was the continued comprehensive process to reach out to various stakeholders to review and evaluate progress on the local control and accountability plan (LCAP). The LCAP is now the most important consideration in the allocation of resources. As such, it is the blueprint that enables the Board and staff to achieve its goal of improving student achievement.

The District, much like all districts in California, is facing severe pressure from rising pension costs. For EDUHSD, this resulted in an annual increased cost of over \$600,000. The District completed the year with an increase in fund balance of \$6,962,038 as a result of its operations and an ending Fund Balance of \$13,521,084.

EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The structural deficit appears to have been negated through carefully prescribed reductions although the district still needs to take proactive measures to reduce expenses. One such measure is the implementation of solar energy at each of the four comprehensive school sites, which is expected to generate significant savings on an ongoing basis. Additionally the district has also enacted an energy savings program to further realize savings.

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONCLUDED)

The District continue to carefully monitor enrollment projections, which forecast growth of 49 students in 2020-2021 and additional 30 students in 2021-2022 when enrollment reaches a projected high of 6,897. Beginning in 2022-2023 the District begins to see successive decline in enrollment over the next four years with an anticipated loss of 401 students. Therefore, the management of personnel ratios, not filling all retiree positions and identifying other key reductions will be necessary to avoid layoffs and deficit spending.

The District received one time funds to address the COVID-19 pandemic related expenditures which produced larger than anticipated ending fund balances in 2020-21. However, due to the one time nature of the funds, these balances will drop rapidly in the future. The District assumes a COLA in 2021-22.

BASIC FINANCIAL STATEMENTS

EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 26,792,712
Receivables	14,381,978
Prepaid expenses	553,166
Stores inventory	15,280
Non-depreciable capital assets (Note 4)	4,269,663
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>99,237,297</u>
Total assets	<u>145,250,096</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - refunding debt	4,045,817
Deferred outflows of resources - OPEB (Note 10)	2,316,096
Deferred outflows of resources - pensions (Notes 8 and 9)	<u>17,049,213</u>
Total deferred outflows of resources	<u>23,411,126</u>
LIABILITIES	
Accounts payable	2,267,000
Tax Revenue Anticipation Notes (Note 5)	8,935,000
Unearned revenue	1,103,707
Long-term liabilities (Note 6):	
Due within one year	2,958,901
Due after one year	<u>163,454,279</u>
Total liabilities	<u>178,718,887</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB (Note 10)	260,055
Deferred inflows of resources - pensions (Notes 8 and 9)	<u>3,963,000</u>
Total deferred inflows of resources	<u>4,223,055</u>
NET POSITION	
Net investment in capital assets	29,701,690
Restricted:	
Legally restricted programs	4,918,963
Capital projects	11,811,826
Debt service	3,992,148
Unrestricted	<u>(64,705,347)</u>
Total net position	<u>\$ (14,280,720)</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>(Expense) Revenues and Change in Net Position</u>
					<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 47,358,674	\$ 79,749	\$ 12,723,151	\$ -	\$ (34,555,774)
Instruction-related services:					
Supervision of instruction	1,903,306	76	681,210	-	(1,222,020)
Instructional library, media and technology	700,055	108	52,913	-	(647,034)
School site administration	5,494,378	-	589,884	-	(4,904,494)
Pupil services:					
Home-to-school transportation	2,775,944	-	151,064	-	(2,624,880)
Food services	1,443,205	111,989	1,659,998	-	328,782
All other pupil services	7,595,624	23,923	1,304,628	-	(6,267,073)
General administration:					
Data processing	1,163,605	-	56,152	-	(1,107,453)
All other general administration	5,166,864	29,777	535,154	-	(4,601,933)
Plant services	8,952,500	1,475	974,405	-	(7,976,620)
Ancillary services	1,551,822	13,470	489,367	-	(1,048,985)
Interest on long-term liabilities	3,822,003	-	-	-	(3,822,003)
Other outgo	2,227,510	1,161,877	1,420,820	-	355,187
Depreciation (unallocated) (Note 4)	5,891,320	-	-	-	(5,891,320)
Total governmental activities	<u>\$ 96,046,810</u>	<u>\$ 1,422,444</u>	<u>\$ 20,638,746</u>	<u>\$ -</u>	<u>(73,985,620)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					36,623,780
Taxes levied for debt service					3,730,224
Taxes levied for other specific purposes					2,116,626
Federal and state aid not restricted to specific purposes					31,206,944
Interest and investment earnings					51,992
Miscellaneous					1,922,858
Total general revenues					<u>75,652,424</u>
Change in net position					1,666,804
Net position, July 1, 2020					<u>(16,666,613)</u>
Cumulative effect of GASB 84 implementation					<u>719,089</u>
Net position, July 1, 2020, as restated					<u>(15,947,524)</u>
Net position, June 30, 2021					<u>\$ (14,280,720)</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
June 30, 2021

	General Fund	El Dorado Schools Financing Authority CFD No.1 Fund	All Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and investments:				
Cash in County Treasury	\$ 10,158,090	\$ 3,491,845	\$ 8,234,232	\$ 21,884,167
Cash in banks	-	-	462,895	462,895
Cash in revolving fund	16,665	-	3,385	20,050
Cash with fiscal agent	-	4,425,600	-	4,425,600
Receivables	14,192,719	-	189,259	14,381,978
Prepaid expenditures	553,166	-	-	553,166
Stores inventory	15,280	-	-	15,280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 24,935,920</u>	<u>\$ 7,917,445</u>	<u>\$ 8,889,771</u>	<u>\$ 41,743,136</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,448,879	\$ -	\$ 1,001	\$ 1,449,880
Tax Revenue Anticipation Notes	8,935,000	-	-	8,935,000
Unearned revenue	1,030,957	-	72,750	1,103,707
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>11,414,836</u>	<u>-</u>	<u>73,751</u>	<u>11,488,587</u>
Fund balances:				
Nonspendable	585,111	-	3,385	588,496
Restricted	3,526,261	7,917,445	8,812,635	20,256,341
Assigned	425,525	-	-	425,525
Unassigned	8,984,187	-	-	8,984,187
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>13,521,084</u>	<u>7,917,445</u>	<u>8,816,020</u>	<u>30,254,549</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 24,935,920</u>	<u>\$ 7,917,445</u>	<u>\$ 8,889,771</u>	<u>\$ 41,743,136</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - Governmental Funds		\$ 30,254,549
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$193,439,776 and the accumulated depreciation is \$89,932,816 (Note 4).</p>		
	103,506,960	
<p>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 statements, it is recognized in the period that it is incurred.</p>		
	(817,120)	
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2021 consisted of (Note 6):</p>		
General Obligation Bonds	\$ (62,481,412)	
Accreted interest	(214,593)	
Unamortized premiums	(4,442,276)	
Certificates of Participation	(9,940,000)	
Capitalized lease obligation	(987,399)	
Net OPEB liability (Note 10)	(6,014,644)	
Net pension liability (Notes 8 and 9)	(81,358,000)	
Compensated absences	<u>(974,856)</u>	
		(166,413,180)
<p>Losses on the refunding of debt are recognized as expenditures in the period they are incurred. In the government-wide statements, they are categorized as deferred outflows and are amortized over the life of the related debt.</p>		
		4,045,817
<p>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 (Notes 8 and 9).</p>		
Deferred outflows of resources relating to pensions	17,049,213	
Deferred outflows of resources relating to OPEB	2,316,096	
Deferred inflows of resources relating to OPEB	(260,055)	
Deferred inflows of resources relating to pensions	<u>(3,963,000)</u>	
		<u>15,142,254</u>
Total net position - governmental activities		<u>\$ (14,280,720)</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	El Dorado Schools Financing Authority CFD No.1 Fund	All Non-Major Funds	Total Governmental Funds
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	\$ 30,166,597	\$ -	\$ -	\$ 30,166,597
Local sources	36,015,317	-	-	36,015,317
Total LCFF	<u>66,181,914</u>	<u>-</u>	<u>-</u>	<u>66,181,914</u>
Federal sources	6,868,454	-	963,238	7,831,692
Other state sources	9,405,096	-	79,366	9,484,462
Other local sources	4,484,638	2,148,042	5,583,005	12,215,685
Total revenues	<u>86,940,102</u>	<u>2,148,042</u>	<u>6,625,609</u>	<u>95,713,753</u>
Expenditures:				
Current:				
Certificated salaries	33,991,498	-	-	33,991,498
Classified salaries	11,845,451	-	737,643	12,583,094
Employee benefits	19,974,389	-	246,794	20,221,183
Books and supplies	3,769,069	-	831,893	4,600,962
Contract services and operating expenditures	8,139,384	15,779	58,283	8,213,446
Other outgo	1,724,855	-	-	1,724,855
Capital outlay	627,562	-	116,504	744,066
Debt service:				
Principal retirement	188,375	100,787	2,426,704	2,715,866
Interest	126,127	30,851	2,253,613	2,410,591
Total expenditures	<u>80,386,710</u>	<u>147,417</u>	<u>6,671,434</u>	<u>87,205,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,553,392</u>	<u>2,000,625</u>	<u>(45,825)</u>	<u>8,508,192</u>
Other financing sources (uses):				
Transfers in	30,306	-	-	30,306
Transfers out	-	-	(30,306)	(30,306)
Other financing sources	378,340	-	29,320,831	29,699,171
Payment to refunding escrow	-	-	(28,665,192)	(28,665,192)
Total other financing sources (uses)	<u>408,646</u>	<u>-</u>	<u>625,333</u>	<u>1,033,979</u>
Change in fund balances	6,962,038	2,000,625	579,508	9,542,171
Fund balances, July 1, 2020	<u>6,559,046</u>	<u>5,916,820</u>	<u>7,517,423</u>	<u>19,993,289</u>
Cumulative effect of GASB 84 implementation	-	-	719,089	719,089
Fund balances, July 1, 2020, as restated	<u>6,559,046</u>	<u>5,916,820</u>	<u>8,236,512</u>	<u>20,712,378</u>
Fund balances, June 30, 2021	<u>\$ 13,521,084</u>	<u>\$ 7,917,445</u>	<u>\$ 8,816,020</u>	<u>\$ 30,254,549</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2021

Net change in fund balances - Total Governmental Funds	\$ 9,542,171
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	\$ 214,953
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(5,891,320)
In governmental funds, disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference is:	(317,685)
In governmental funds, proceeds from debt are recognized as other financing sources. In the statement of net position, proceeds from debt are reported as increases to liabilities (Note 6).	(29,699,171)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	2,715,866
Payments made to the refunding escrow is an other financing use in governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	17,470,233
Accreted interest is not accrued in the governmental funds, but is recognized over the life of the debt in the government-wide financial statements (Note 6).	8,110,345
Unmatured interest on long-term liabilities is not recorded in the governmental funds until it becomes due, but increases the liabilities in the statement of net position.	185,560
In governmental funds, debt issued at a premium is recognized as an other financing source in the year of issuance. In the government-wide statements, debt issued at a premium is amortized as interest over the life of the debt (Note 6).	287,830
In government-wide statements, any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Deferred gain or loss from debt refunding, for the period is:	2,843,863

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

<p>In governmental 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 (Notes 6, 8 and 9):</p>	\$ (3,100,492)
<p>In the statement of activities, expenses related to net OPEB liability are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6 and 10)</p>	(667,364)
<p>In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources uses (Note 6)</p>	<u>(27,985)</u> \$ <u>(7,875,367)</u>
<p>Change in net position of governmental activities</p>	<u>\$ 1,666,804</u>

See accompanying notes to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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).

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.

El Dorado School Financing Community Facilities 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.

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.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following are those aspects of the relationship between the District and the Corporation, which satisfy GASB Codification Section 2100 criteria.

Manifestations of Oversight - The Corporation is governed by the elected Board of Trustees of the El Dorado Union High School District ex officio. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. The Corporation has no employees. The District's Superintendent and Associate Superintendent of Business Services function as agents of the Corporation. Neither individual receives additional compensation for work performed in this capacity. The District exercises significant influence over operations of the Corporation as it is anticipated that the District will always be the sole lessee of all facilities owned by the Corporation. All major financing arrangements, contracts and financial transactions of the Corporation must have the consent of the District.

Accountability for Fiscal Matters - It is anticipated that the District's lease payments will be the sole revenue source of the Corporation. Any deficit incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

Scope of Public Service - The Corporation was created for the sole purpose of financially assisting the District. The District has entered into a long-term agreement with the Corporation whereby the Corporation leases land from the District; and the District occupies the facilities (a portion of the El Dorado Union High School District) under a lease-purchase agreement with the Corporation. The District's annual lease payments are factored to meet the Corporation's operating expenses and bond retirement costs.

Accordingly, 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.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense and interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Major Funds

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

El Dorado Schools Financing Authority CFD No. 1 - 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.

Other Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This includes the Student Activity and the Cafeteria Fund.

Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities by the District. This includes the Capital Facilities and Special Reserve Fund for Capital Outlay Projects.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. This includes the Bond Interest and Redemption and EDUHSD Financing Corporation Debt Service Funds.

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

Accrual: The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2021.

Inventory: Inventory in the General Fund is valued at average cost. Inventory recorded in the General Fund consists mainly of school supplies and consumable supplies. Inventories are recorded as an expenditure at the time the individual inventory items are transferred from the warehouse to schools and offices.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in the aggregate:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 12,568,583	\$ 4,480,630	\$ 17,049,213
Deferred inflows of resources	\$ 3,731,000	\$ 232,000	\$ 3,963,000
Net pension liability	\$ 54,859,000	\$ 26,499,000	\$ 81,358,000
Pension expense	\$ 10,426,673	\$ 4,161,446	\$ 14,588,119

Compensated Absences: Compensated absences totaling \$974,856 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRP and PERF B employees when the employee retires.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. Unrestricted Net Position - All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2021, the District had no committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances. The Chief Business Official of the District has been given authority to assign fund balances.

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements if they have been adopted by the Board of Trustees. At June 30, 2021, the District has established a minimum General Fund fund balance policy of 3% of General Fund total outgo.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of El Dorado bills and collects taxes for the District. Tax revenues are recognized by the District when received.

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.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities' column.

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position of governmental activities as well as the aggregate remaining fund information beginning fund balance for a total of \$719,089.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2021 are reported at fair value and consisted of the following:

	<u>Governmental Activities</u>
Pooled Fund:	
Cash in County Treasury	\$ 21,884,167
Deposits:	
Cash on hand and in banks	462,895
Cash in revolving fund	20,050
Investments:	
Cash with Fiscal Agent	<u>4,425,600</u>
Total cash and investments	<u>\$ 26,792,712</u>

Pooled Funds: In accordance with Education Code Section 41001, the Office of Education maintains substantially all of its cash in the interest bearing El Dorado County Treasurer's Pooled Investment Fund. The Office of Education is considered to be an involuntary participant in an external investment pool. The fair value of the Office of Education's investment in the pool is reported in the financial statements at amounts based upon the Office of Education's prorata 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.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District's accounts was \$482,945 and the bank balance was \$668,280, of which, \$43,874 was uninsured.

Investments: Cash with Fiscal Agent in the El Dorado Schools Financing Authority CFD No. 1 represents debt proceeds that have been restricted for capital projects and the repayment of long-term liabilities. These amounts are held by a third-party custodian in the District's name.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfer from the Cafeteria Fund to the General fund for indirect costs. \$ 30,306

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2021 is shown below:

	Balance July 1, <u>2020</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2021</u>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 4,197,064	\$ -	\$ -	\$ 4,197,064
Work-in-process	889,558	214,953	1,031,912	72,599
Depreciable:				
Buildings	154,025,550	-	-	154,025,550
Equipment	13,172,143	714,227	37,939	13,848,431
Site improvements	21,296,132	-	-	21,296,132
Totals, at cost	<u>193,580,447</u>	<u>929,180</u>	<u>1,069,851</u>	<u>193,439,776</u>
Less accumulated depreciation:				
Buildings	(62,168,529)	(4,388,904)	-	(66,557,433)
Equipment	(9,334,530)	(615,817)	(37,939)	(9,912,408)
Site improvements	(12,576,376)	(886,599)	-	(13,462,975)
Total accumulated depreciation	<u>(84,079,435)</u>	<u>(5,891,320)</u>	<u>(37,939)</u>	<u>(89,932,816)</u>
Capital assets, net	<u>\$ 109,501,012</u>	<u>\$ (4,962,140)</u>	<u>\$ 1,031,912</u>	<u>\$ 103,506,960</u>

Depreciation expense was charged to governmental activities as follows:

Depreciation - unallocated \$ 5,891,320

NOTE 5 – TAX REVENUE ANTICIPATION NOTES

On March 24, 2021, the District issued Tax Revenue Anticipation Notes (TRANs), in the total amount of \$8,935,000. 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 .21 percent, and mature on January 31, 2022. The TRANs are secured by a pledge of certain unrestricted revenues received by the District issuing such TRANs for its General Fund and constitute a first lien and charge payable from the first monies received by the District from such pledged revenues.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG-TERM LIABILITIES

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 0.05 and 5.45 percent and are scheduled to mature at various times through August 1, 2042.

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.

Calculation of difference in cash flow requirements and economic gain are as follows:

Old debt service cash flows	\$ 46,915,000
New debt service cash flows	<u>38,913,027</u>
 Total cash flow difference	 <u><u>\$ 8,001,973</u></u>

Economic Gain: The economic gain or difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate is \$4,682,087.

A summary of General Obligation Bonds payable as of June 30, 2021 follows:

<u>Series</u>	<u>Interest Rate %</u>	<u>Maturity Date Ending August 1</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2020</u>	<u>Issued (Redeemed) Current Year</u>	<u>Outstanding June 30, 2021</u>
Series 2010	2.00%- 4.50%	2035	\$ 17,300,000	\$ 80,000	\$ (80,000)	\$ -
Series 2012	2.00%- 5.45%	2042	14,999,904	14,537,303	(14,341,722)	195,581
Series 2016 (refunding)	2.00%- 5.00%	2034	33,195,000	29,025,000	(1,720,000)	27,305,000
Series 2020 (refunding)	0.05	2035	13,590,000	13,590,000	(100,000)	13,490,000
Series 2020 CIB (refunding)	0.375-3.016%	2042	8,090,000	-	8,090,000	8,090,000
Series 2020 CAB (refunding)	3.62%	2041	13,400,831	-	13,400,831	13,400,831
			<u>\$ 100,575,735</u>	<u>\$ 57,232,303</u>	<u>\$ 5,249,109</u>	<u>\$ 62,481,412</u>

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2021 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,021,766	\$ 1,947,308	\$ 3,969,074
2023	2,253,815	1,859,509	4,113,324
2024	1,585,000	1,719,948	3,304,948
2025	1,595,000	1,640,448	3,235,448
2026	1,795,000	1,555,698	3,350,698
2027-2031	12,405,000	6,358,450	18,763,450
2032-2036	21,821,083	5,409,447	27,230,530
2037-2041	13,814,748	11,586,608	25,401,356
2042-2043	<u>5,190,000</u>	<u>156,530</u>	<u>5,346,530</u>
	<u>\$ 62,481,412</u>	<u>\$ 32,233,946</u>	<u>\$ 94,715,358</u>

Certificates of Participation (COPs): The District's 2009 COPs is comprised of current interest and capital appreciation certificates, bears interest between 3.75 and 7.625 percent and was scheduled to mature at various times through December 31, 2039. The 2009 COPs were fully refunded by the Refunding COPs, Series 2020.

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.

The outstanding certificates of participation at June 30, 2021 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 420,000	\$ 222,348	\$ 642,348
2023	425,000	219,516	644,516
2024	425,000	216,029	641,029
2025	430,000	211,755	641,755
2026	435,000	206,663	641,663
2027-2031	2,375,000	911,285	3,286,285
2032-2036	2,730,000	599,101	3,329,101
2037-2041	<u>2,700,000</u>	<u>163,197</u>	<u>2,863,197</u>
	<u>\$ 9,940,000</u>	<u>\$ 2,749,894</u>	<u>\$ 12,689,894</u>

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Capital Leases: In November 2017, the District entered into a capital 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 capital 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 capital 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 on the capital lease:

Year Ending June 30,	Lease Payments
2022	\$ 216,285
2023	197,100
2024	164,358
2025	164,358
2026	116,009
2027-2028	<u>232,018</u>
Total payments	1,090,128
Less amount representing interest	<u>(102,729)</u>
Net present value of minimum payments	<u>\$ 987,399</u>

The capitalized value of the buses under lease was a cost of \$964,795 with an accumulated depreciation of \$350,542 as of June 30, 2021. The capitalized value of the data equipment under lease was a cost of \$241,745 with an accumulated depreciation of \$44,857. The capitalized value of the computer equipment under lease was a cost of \$136,595 with an accumulated depreciation of \$15,177.

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2021 is shown below:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amount Due Within One Year
<u>Debt:</u>					
General Obligation Bonds	\$ 57,232,303	\$ 21,490,831	\$ 16,241,722	\$ 62,481,412	\$ 2,021,766
Accreted interest	8,324,938	908,703	9,019,048	214,593	33,234
Unamortized premiums	4,730,106	-	287,830	4,442,276	292,443
<u>Other Long-Term Liabilities:</u>					
Certificates of Participation	5,866,002	7,830,000	3,756,002	9,940,000	420,000
Capital leases obligation	797,434	378,340	188,375	987,399	191,458
Net OPEB liability (Note 10)	5,564,270	450,374	-	6,014,644	-
Net pension liability (Notes 8 and 9)	75,657,000	5,701,000	-	81,358,000	-
Compensated absences	946,871	27,985	-	974,856	-
Total	<u>\$ 159,118,924</u>	<u>\$ 36,787,233</u>	<u>\$ 29,492,977</u>	<u>\$ 166,413,180</u>	<u>\$ 2,958,901</u>

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG-TERM LIABILITIES (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 capitalized lease obligations will be made from the General Fund.

NOTE 7 - FUND BALANCES

Fund balances, by category, at June 30, 2021 consisted of the following:

	General <u>Fund</u>	El Dorado Schools Financing Authority CFD No.1 <u>Fund</u>	All Non-Major <u>Funds</u>	<u>Total</u>
Nonspendable:				
Revolving cash fund	\$ 16,665	\$ -	\$ 3,385	\$ 20,050
Prepaid expenditures	553,166	-	-	553,166
Stores inventory	15,280	-	-	15,280
Subtotal non-spendable	<u>585,111</u>	<u>-</u>	<u>3,385</u>	<u>588,496</u>
Restricted:				
Legally restricted programs	3,526,261	-	926,106	4,452,367
Capital projects	-	7,917,445	3,894,381	11,811,826
Debt service	<u>-</u>	<u>-</u>	<u>3,992,148</u>	<u>3,992,148</u>
Subtotal restricted	<u>3,526,261</u>	<u>7,917,445</u>	<u>8,812,635</u>	<u>20,256,341</u>
Assigned:				
Site Unrestricted Carry Over	271,425	-	-	271,425
Est Cert Column Movement	68,900	-	-	68,900
Certificated Support Funds	<u>85,200</u>	<u>-</u>	<u>-</u>	<u>85,200</u>
Subtotal assigned	<u>425,525</u>	<u>-</u>	<u>-</u>	<u>425,525</u>
Unassigned:				
Reserve for				
economic uncertainty	2,413,200	-	-	2,413,200
Undesignated	<u>6,570,987</u>	<u>-</u>	<u>-</u>	<u>6,570,987</u>
Subtotal unassigned	<u>8,984,187</u>	<u>-</u>	<u>-</u>	<u>8,984,187</u>
Total fund balances	<u>\$ 13,521,084</u>	<u>\$ 7,917,445</u>	<u>\$ 8,816,020</u>	<u>\$ 30,254,549</u>

(Continued)

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) - a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plan may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a full-time basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board's authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84.

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and AB 84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2020-21.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2020-21.

According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

Employers – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rates effective for fiscal year 2020-21 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Rate Adjustment Per Special Legislation</u>	<u>Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$5,245,583 to the plan for the fiscal year ended June 30, 2021.

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The state's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045-46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328%
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 54,859,000
State's proportionate share of the net pension liability associated with the District	<u>29,980,000</u>
 Total	 <u><u>\$ 84,839,000</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2020, the District's proportion was 0.057 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2019.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$10,426,673 and revenue of \$3,783,414 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 97,000	\$ 1,547,000
Changes of assumptions	5,349,000	-
Net differences between projected and actual earnings on investments	1,303,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	574,000	2,184,000
Contributions made subsequent to measurement date	<u>5,245,583</u>	<u>-</u>
Total	<u>\$ 12,568,583</u>	<u>\$ 3,731,000</u>

\$5,245,583 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2022	\$ (63,966)
2023	\$ 1,150,033
2024	\$ 1,948,033
2025	\$ 608,033
2026	\$ (128,966)
2027	\$ 78,833

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the 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 the total pension liability.

Mortality: 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.

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 investment staff and investment consultants as inputs to the process.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 - NET PENSION LIABILITY - STATE TEACHERS' RETIREMENT PLAN (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	42%	4.8%
Real Estate Assets	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)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	<u>\$82,884,000</u>	<u>\$ 54,859,000</u>	<u>\$ 31,720,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2021 were as follows:

Members - The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2020-21.

Employers - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed \$2,458,630 to the plan for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$26,499,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2020, the District's proportion was 0.086 percent, which remained the same percent from its proportion measured as of June 30, 2019.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$4,161,446. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,314,000	\$ -
Changes of assumptions	97,000	-
Net differences between projected and actual earnings on investments	552,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	59,000	232,000
Contributions made subsequent to measurement date	2,458,630	-
Total	\$ 4,480,630	\$ 232,000

\$2,458,630 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2022	\$ 526,583
2023	\$ 571,583
2024	\$ 438,083
2025	\$ 253,751

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years 1 - 10 ⁽¹⁾</u>	<u>Expected Real Rate of Return Years 11+ ⁽²⁾</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period

(2) An expected inflation rate of 2.92% used for this period

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 - NET PENSION LIABILITY - PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District's proportionate share of the net pension liability	\$ 38,097,000	\$ 26,499,000	\$ 8,237,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description: In addition to the pension benefits described in Notes 7 and 8, 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.

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.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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")."

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2021;

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	46
Active employees	<u>411</u>
	<u><u>457</u></u>

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 in 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 \$363,435 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 5.75% was determined using the long-term expected rate of return on plan investments based upon the PARS Balanced Investment Policy asset allocation.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	5.75%
Discount rate	5.75%
Health care cost trend rate	4.00%
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 employees were used.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 8,134,423	\$ 2,570,153	\$ 5,564,270
Changes for the year:			
Service cost	467,185	-	467,185
Interest	491,178	-	491,178
Employer contributions	-	363,435	(363,435)
Net investment income	-	478,825	(478,825)
Changes in assumptions	319,171	-	319,171
Administrative expense	-	(15,100)	15,100
Benefit payments	(363,435)	(363,435)	-
Net change	<u>914,099</u>	<u>463,725</u>	<u>450,374</u>
Balance at June 30, 2021	<u>\$ 9,048,522</u>	<u>\$ 3,033,878</u>	<u>\$ 6,014,644</u>

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Assumptions: The following presents the Net OPEB liability calculated using the discount rate of 5.75 percent. The schedule also shows what the Net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (4.75 percent) and 1 percent higher (6.75%):

	Rate 1% Lower <u>(4.75%)</u>	Discount Rate <u>(5.75%)</u>	Rate 1% Higher <u>(6.75%)</u>
Net OPEB liability	\$ 7,501,043	\$ 6,014,644	\$ 4,854,284

The following table presents the Net OPEB liability calculated using the health care cost trend rate of 4.0 percent. The schedule also shows what the Net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent):

	Trend Rate 1% <u>Lower (3.0%)</u>	Care Trend Rate <u>(4.0%)</u>	Trend Rate 1% <u>Higher (5.0%)</u>
Net OPEB liability	\$ 4,586,554	\$ 6,014,644	\$ 7,931,892

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB- For the year ended June 30, 2021, the District recognized OPEB expense of \$1,030,799. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,013,160	\$ -
Change of assumptions	1,231,346	-
Net differences between projected and actual earnings on investments	<u>71,590</u>	<u>260,055</u>
Total	<u>\$ 2,316,096</u>	<u>\$ 260,055</u>

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended <u>June 30,</u>		
2022	\$	211,092
2023	\$	211,090
2024	\$	201,075
2025	\$	183,890
2026	\$	248,903
Thereafter	\$	999,991

The effect of differences between projected and actual earnings on investments is amortized over a closed period of 5 years, and the effect of difference between projected and actual experience is amortized over a period of 11 years as of the June 30, 2021 measurement date.

NOTE 11 - JOINT POWERS AGREEMENT

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.

The following is a summary of financial information for SIA at June 30, 2021 (the most recent information available):

Total assets	\$	217,113,543
Total deferred outflows of resources	\$	1,855,968
Total liabilities	\$	87,859,871
Total deferred inflows of resources	\$	751,640
Total net position	\$	130,358,000
Total revenues	\$	73,201,625
Total expenses	\$	57,783,763
Change in net position	\$	15,417,862

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.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 12 - CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

Also, the District has received federal and state funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

NOTE 13 – SUBSEQUENT EVENTS

In July 2021, the District issued 2021 Energy Efficiency Projects Certificates of Participation (COPs) totaling \$7,600,000. The proceeds will be used to finance the acquisition and implementation of lighting, battery energy storage and diesel generators throughout the District. The COPs will bear an interest rate ranging from 0.75% to 2.35% and mature through December 1, 2041.

In August 2021, the District issued 2021-22 Tax and Revenue Anticipation Note (TRANS), Series A totaling \$4,940,000. The proceeds are used to provide short-term financing for operations of the District until receipt of tax revenues assessed on properties located within the District's boundaries. The TRANS bear an interest rate of 2.0% and are scheduled to be repaid on June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 26,241,502	\$ 30,166,597	\$ 30,166,597	\$ -
Local sources	34,514,191	36,015,317	36,015,317	-
Total LCFF	<u>60,755,693</u>	<u>66,181,914</u>	<u>66,181,914</u>	-
Federal sources	3,898,785	6,868,454	6,868,454	-
Other state sources	5,032,075	9,405,096	9,405,096	-
Other local sources	3,951,029	4,484,638	4,484,638	-
Total revenues	<u>73,637,582</u>	<u>86,940,102</u>	<u>86,940,102</u>	-
Expenditures:				
Current:				
Certificated salaries	32,359,643	33,991,498	33,991,498	-
Classified salaries	11,501,561	11,845,451	11,845,451	-
Employee benefits	18,706,931	19,474,389	19,974,389	(500,000)
Books and supplies	2,129,733	3,769,069	3,769,069	-
Contract services and operating expenditures	8,613,656	8,222,864	8,139,384	83,480
Other outgo	1,689,620	1,724,855	1,724,855	-
Capital outlay	-	627,562	627,562	-
Debt service:				
Principal retirement	88,099	188,375	188,375	-
Interest	27,910	126,127	126,127	-
Total expenditures	<u>75,117,153</u>	<u>79,970,190</u>	<u>80,386,710</u>	<u>(416,520)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(1,479,571)</u>	<u>6,969,912</u>	<u>6,553,392</u>	<u>(416,520)</u>
Other financing sources:				
Transfers in	-	-	30,306	30,306
Transfers out	-	(416,520)	-	416,520
Other financing sources:	-	378,340	378,340	-
Total other financing sources	<u>-</u>	<u>(38,180)</u>	<u>408,646</u>	<u>446,826</u>
Change in fund balance	(1,479,571)	6,931,732	6,962,038	30,306
Fund balance, July 1, 2020	<u>6,559,046</u>	<u>6,559,046</u>	<u>6,559,046</u>	-
Fund balance, June 30, 2021	<u>\$ 5,079,475</u>	<u>\$ 13,490,778</u>	<u>\$ 13,521,084</u>	<u>\$ 30,306</u>

See accompanying note to required supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE CHANGES IN THE DISTRICT'S NET
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

	Last 10 Fiscal Years			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 266,657	\$ 273,990	\$ 281,525	\$ 467,185
Interest on total OPEB liability	300,910	312,415	326,259	491,178
Investment income	-	-	1,240,838	-
Change in assumptions	-	-	1,153,021	319,171
Benefit payments	<u>(375,638)</u>	<u>(390,664)</u>	<u>(328,221)</u>	<u>(363,435)</u>
Net change in total OPEB liability	191,929	195,741	2,673,422	914,099
Total OPEB liability, beginning of year (a)	<u>5,073,331</u>	<u>5,265,260</u>	<u>5,461,001</u>	<u>8,134,423</u>
Total OPEB liability, end of year (b)	<u>\$ 5,265,260</u>	<u>\$ 5,461,001</u>	<u>\$ 8,134,423</u>	<u>\$ 9,048,522</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 477,483	\$ 390,664	\$ 328,221	\$ 363,435
Net investment income	127,038	95,452	64,765	478,825
Administrative expenses	(5,873)	(6,050)	(12,538)	(15,100)
Benefit payments	<u>(375,638)</u>	<u>(390,664)</u>	<u>(328,221)</u>	<u>(363,435)</u>
Change in plan fiduciary net position	223,010	89,402	52,227	463,725
Fiduciary trust net position - beginning of year (c)	<u>2,205,514</u>	<u>2,428,524</u>	<u>2,517,926</u>	<u>2,570,153</u>
Fiduciary trust net position - end of year (d)	<u>\$ 2,428,524</u>	<u>\$ 2,517,926</u>	<u>\$ 2,570,153</u>	<u>\$ 3,033,878</u>
Net OPEB liability - ending (b) - (d)	<u>\$ 2,836,736</u>	<u>\$ 2,943,075</u>	<u>\$ 5,564,270</u>	<u>\$ 6,014,644</u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.1%	46.1%	31.6%	0.0%
Covered employee payroll	\$ 29,255,902	\$ 27,539,742	\$ 33,908,442	\$ 28,071,261
Net OPEB Liability as a percentage of covered employee payroll	9.70%	10.69%	16.41%	21.40%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension	0.062%	0.063%	0.061%	0.057%	0.056%	0.056%	0.057%
District's proportionate share of the net pension liability	\$ 36,231,000	\$ 42,453,000	\$ 49,682,000	\$ 52,447,000	\$ 51,920,000	\$ 50,576,000	\$ 54,859,000
State's proportionate share of the net pension liability associated with the	<u>24,437,000</u>	<u>22,439,000</u>	<u>28,286,000</u>	<u>31,027,000</u>	<u>29,727,000</u>	<u>27,593,000</u>	<u>29,980,000</u>
Total net pension liability	<u>\$ 60,668,000</u>	<u>\$ 64,892,000</u>	<u>\$ 77,968,000</u>	<u>\$ 83,474,000</u>	<u>\$ 81,647,000</u>	<u>\$ 78,169,000</u>	<u>\$ 84,839,000</u>
District's covered payroll	\$ 29,489,000	\$ 29,250,000	\$ 30,613,000	\$ 30,057,000	\$ 30,914,000	\$ 31,316,000	\$ 30,272,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	122.86%	145.14%	162.29%	174.49%	167.95%	161.50%	181.22%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2015 are not available.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2021

	Public Employer's Retirement Fund B Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension	0.096%	0.098%	0.097%	0.090%	0.087%	0.086%	0.086%
District's proportionate share of the net pension liability	\$ 10,841,575	\$ 14,418,596	\$ 19,127,000	\$ 21,509,000	\$ 23,120,000	\$ 25,081,000	\$ 26,499,000
District's covered payroll	\$ 10,024,000	\$ 10,733,000	\$ 11,619,000	\$ 11,488,000	\$ 11,672,000	\$ 12,260,000	\$ 12,451,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.16%	134.34%	164.62%	187.23%	198.08%	204.58%	212.83%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior. All years prior to 2015 are not available.

See accompanying note to required supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 For the Year Ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 2,597,444	\$ 3,284,778	\$ 3,781,171	\$ 4,460,871	\$ 5,098,245	\$ 5,488,259	\$ 5,245,583
Contributions in relation to the contractually required contribution	<u>(2,597,444)</u>	<u>(3,284,778)</u>	<u>(3,781,171)</u>	<u>(4,460,871)</u>	<u>(5,098,245)</u>	<u>(5,488,259)</u>	<u>(5,245,583)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 29,250,000	\$ 30,613,000	\$ 30,057,000	\$ 30,914,000	\$ 31,316,000	\$ 30,272,000	\$ 27,464,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**

All years prior to 2015 are not available.

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

**This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 For the Year Ended June 30, 2021

Public Employer's Retirement Fund B
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 1,263,245	\$ 1,376,449	\$ 1,595,683	\$ 1,812,812	\$ 2,214,317	\$ 2,455,446	\$ 2,458,630
Contributions in relation to the contractually required contribution	<u>(1,263,245)</u>	<u>(1,376,449)</u>	<u>(1,595,683)</u>	<u>(1,812,812)</u>	<u>(2,214,317)</u>	<u>(2,455,446)</u>	<u>(2,458,630)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,733,000	\$ 11,619,000	\$ 11,488,000	\$ 11,672,000	\$ 12,260,000	\$ 12,451,000	\$ 11,877,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

A - 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 States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund is presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in the District's Net OPEB Liability presents multi-year information which illustrates the changes in the net OPEB liability for each year presented.

C - Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E - Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

F - Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 6.0 and 5.75 percent in the June 30, 2020 and 2021 actuarial reports, respectively.

The discount rate for Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018 and 2020 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

<u>Assumption</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

EL DORADO UNION HIGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2021

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	EDUHSD Financing Corporation Debt Service Fund	Total
ASSETS							
Cash and investments:							
Cash in banks	\$ 462,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,895
Cash in County Treasury	-	347,703	3,762,581	131,800	3,168,897	823,251	8,234,232
Cash in revolving fund	-	3,385	-	-	-	-	3,385
Receivables	-	189,259	-	-	-	-	189,259
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 462,895</u>	<u>\$ 540,347</u>	<u>\$ 3,762,581</u>	<u>\$ 131,800</u>	<u>\$ 3,168,897</u>	<u>\$ 823,251</u>	<u>\$ 8,889,771</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 1,001	\$ -	\$ -	\$ -	\$ -	\$ 1,001
Unearned revenue	-	72,750	-	-	-	-	72,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>73,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,751</u>
Fund balances:							
Nonspendable	-	3,385	-	-	-	-	3,385
Restricted	462,895	463,211	3,762,581	131,800	3,168,897	823,251	8,812,635
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>462,895</u>	<u>466,596</u>	<u>3,762,581</u>	<u>131,800</u>	<u>3,168,897</u>	<u>823,251</u>	<u>8,816,020</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 462,895</u>	<u>\$ 540,347</u>	<u>\$ 3,762,581</u>	<u>\$ 131,800</u>	<u>\$ 3,168,897</u>	<u>\$ 823,251</u>	<u>\$ 8,889,771</u>

EL DORADO UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 For the Year Ended June 30, 2021

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	EDUHSD Financing Corporation Debt Service Fund	Total
Revenues:							
Federal sources	\$ -	\$ 963,238	\$ -	\$ -	\$ -	\$ -	\$ 963,238
Other state sources	-	79,366	-	-	-	-	79,366
Other local sources	255,323	124,002	1,318,582	53,300	3,737,473	94,325	5,583,005
Total revenues	<u>255,323</u>	<u>1,166,606</u>	<u>1,318,582</u>	<u>53,300</u>	<u>3,737,473</u>	<u>94,325</u>	<u>6,625,609</u>
Expenditures:							
Current:							
Classified salaries	-	707,254	30,389	-	-	-	737,643
Employee benefits	-	234,840	11,954	-	-	-	246,794
Books and supplies	511,517	320,376	-	-	-	-	831,893
Contract services and Operating expenditures	-	(314,023)	372,306	-	-	-	58,283
Capital outlay	-	-	-	116,504	-	-	116,504
Debt service:							
Principal retirement	-	-	449,213	-	1,977,491	-	2,426,704
Interest	-	-	137,504	-	2,116,109	-	2,253,613
Total expenditures	<u>511,517</u>	<u>948,447</u>	<u>1,001,366</u>	<u>116,504</u>	<u>4,093,600</u>	<u>-</u>	<u>6,671,434</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(256,194)</u>	<u>218,159</u>	<u>317,216</u>	<u>(63,204)</u>	<u>(356,127)</u>	<u>94,325</u>	<u>(45,825)</u>
Other financing sources (uses):							
Transfers out	-	(30,306)	-	-	-	-	(30,306)
Other financing sources	-	-	7,830,000	-	21,490,831	-	29,320,831
Payment to refunding escrow	-	-	(7,519,325)	-	(21,145,867)	-	(28,665,192)
Total other financing sources (uses)	<u>-</u>	<u>(30,306)</u>	<u>310,675</u>	<u>-</u>	<u>344,964</u>	<u>-</u>	<u>625,333</u>
Net change in fund balances	<u>(256,194)</u>	<u>187,853</u>	<u>627,891</u>	<u>(63,204)</u>	<u>(11,163)</u>	<u>94,325</u>	<u>579,508</u>
Fund balance, July 1, 2020	<u>-</u>	<u>278,743</u>	<u>3,134,690</u>	<u>195,004</u>	<u>3,180,060</u>	<u>728,926</u>	<u>7,517,423</u>
Cumulative effect of GASB 84 implementation	<u>719,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>719,089</u>
Fund balances, July 1, 2020, as restated	<u>719,089</u>	<u>278,743</u>	<u>3,134,690</u>	<u>195,004</u>	<u>3,180,060</u>	<u>728,926</u>	<u>8,236,512</u>
Fund balance, June 30, 2021	<u>\$ 462,895</u>	<u>\$ 466,596</u>	<u>\$ 3,762,581</u>	<u>\$ 131,800</u>	<u>\$ 3,168,897</u>	<u>\$ 823,251</u>	<u>\$ 8,816,020</u>

EL DORADO UNION HIGH SCHOOL DISTRICT
ORGANIZATION
June 30, 2021

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, 2021.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
David J. Del Rio	President	December 2024
Lori M. Veerkamp	Clerk	December 2024
Jessicca K. Rodgers	Member	December 2022
Timothy M. Cary	Member	December 2022
Kevin W. Brown	Member	December 2022

ADMINISTRATION

Ron Carruth
Superintendent

Robert Whittenberg
Assistant Superintendent, Business Services

Christopher Moore
Assistant Superintendent, Educational Services

Tony Deville
Assistant Superintendent, Human Resources

Pam Bartlett
Senior Director, Student Success

Chuck Palmer
Senior Director, Student Services and Innovation

See accompanying notes to supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2021

<u>Grade Level</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

See accompanying notes to supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Education - Passed through California Department of Education</u>			
84.365	ESEA: Title III, Limited English Proficient Student Programs	14346	\$ 4,058
<u>U.S. Department of Education - Passed through El Dorado County Office of Education</u>			
	Special Education Cluster:		
84.027	Special Ed: IDEA Basic and Local Assistance Entitlement, Part B, Sec 611	13379	552,391
84.173	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15321	165,805
	Subtotal Special Education Cluster		718,196
	ESEA: Title I Programs:		
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	516,914
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	88,023
	Subtotal ESEA: Title I Programs		604,937
	COVID-19: Education Stabilization Fund (ESF) Programs		
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund - COVID-19	15536	481,464
84.425D	Elementary and Secondary School Relief II (ESSER II) Fund - COVID-19	15547	1,873,442
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund - COVID-19	15559	53,189
84.425	Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement - COVID-19	15535	47,032
84.425C	Emergency Education Relief Fund - COVID-19	15517	274,111
	Subtotal COVID-19: Education Stabilization Fund (ESF) Programs		2,729,238
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346	10,991
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	71,933
84.196	ESEA: Title VII, Part B, McKinney-Vento Homeless Assistance Act	14332	3,910
84.424	ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	15396	5,996

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 For the Year Ended June 30, 2021

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
84.048	Carl D. Perkins Career and Technical Education Secondary, Section 131 (Vocational Education)	14894	\$ <u>124,374</u>
	Total U.S. Department of Education		<u>4,273,633</u>
<u>U.S. Department of Agricultural - Passed through El Dorado County Office of Education</u>			
10.665	Forest Service Schools and Roads Cluster: Forest Reserve Funds	10044	<u>113,723</u>
<u>U.S. Department of Agricultural - Passed through California Department of Education</u>			
10.555	Child Nutrition Cluster: Child Nutrition: School Programs	13525	<u>921,355</u>
	Total U.S. Department of Agriculture		<u>1,035,078</u>
<u>U.S. Department of Health and Human Services - Passed through California Department of Health Care Services</u>			
93.778	Medicaid Cluster: Medi-Cal Billing Option	10013	<u>120,698</u>
	Total U.S. Department of Health and Human Services		<u>120,698</u>
<u>U.S. Department of the Treasury Passed through California Department of Education</u>			
21.019	Coronavirus Relief Fund - COVID-19	25516	<u>2,432,506</u>
	Total U.S. Department of Treasury		<u>2,432,506</u>
	Total Federal Awards		<u>\$ 7,861,915</u>

See accompanying notes to supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

There were no audit adjustments proposed to any funds of the District.

See accompanying notes to supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 For the Year Ended June 30, 2021
 (UNAUDITED)

	(Budget) <u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 87,318,445	\$ 87,348,748	\$ 79,809,390	\$ 79,123,399
Expenditures	79,939,887	80,386,710	78,922,397	80,596,178
Total outgo	79,939,887	80,386,710	78,922,397	80,596,178
Change in fund balance	\$ 7,378,558	\$ 6,962,038	\$ 886,993	\$ (1,472,779)
Ending fund balance	\$ 20,899,642	\$ 13,521,084	\$ 6,559,046	\$ 5,672,053
Available reserves	\$ 8,984,188	\$ 8,984,187	\$ 5,126,747	\$ 3,806,336
Designated for economic uncertainties	\$ 2,413,200	\$ 2,413,200	\$ 2,365,400	\$ 2,415,400
Undesignated fund balance	\$ 6,570,988	\$ 6,570,987	\$ 2,761,347	\$ 1,390,936
Available reserves as percentages of total outgo	<u>11.2%</u>	<u>11.2%</u>	<u>6.5%</u>	<u>4.7%</u>
<u>All Funds</u>				
Total long-term liabilities	\$ 171,054,279	\$ 166,413,180	\$ 159,118,924	\$ 156,438,568
Average daily attendance at P-2	<u>6,434</u>	<u>6,444</u>	<u>6,444</u>	<u>6,351</u>

The General Fund fund balance has increased by \$6,376,252 over the past three years. The fiscal year 2021-2022 budget projects an increase of \$7,378,558. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2021, the District met this requirement.

The District has incurred an operating surplus in two of the past three years and anticipates an operating surplus in fiscal year 2021-2022.

Total long-term liabilities have increased by \$9,974,612 over the past two years.

Average daily attendance has increased by 93 over the past two years. An decrease of 10 ADA is projected for the 2021-2022 fiscal year.

See accompanying notes to supplementary information.

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2021

Charter Schools Chartered by District

Included in District
Financial Statements, or
Separate Report

0366 - El Dorado Union High School District Virtual
Academy at Shenandoah

Included in the General Fund

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

B - Schedule of Expenditure of Federal Awards

The Schedule of Expenditure of Federal Awards includes the federal award activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. 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. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

C - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

D - Schedule of Financial Trends and Analysis – Unaudited

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2021-2022 fiscal year, as required by the State Controller's Office.

E - Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2021, the District did not adopt this program.

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

Report on Compliance with State Laws and Regulations

We have audited El Dorado Union High School District's compliance with the types of compliance requirements described in the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended June 30, 2021.

<u>Description</u>	<u>Procedures Performed</u>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	Yes
Charter Schools - Attendance	Yes
Charter Schools - Mode of Instruction	Yes
Charter Schools - Nonclassroom-Based Instruction/Independent Study	Yes
Charter Schools - Determination of Funding for Nonclassroom-Based Instruction	Yes
Charter Schools - Charter School Facility Grant Program	No, see below

(Continued)

We did not perform testing for Kindergarten Continuance or K-3 Grade Span Adjustment because the District only serves grades 9-12.

We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer this program in the current year.

The District did not offer Apprenticeship: Related and Supplemental Instruction, therefore we did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction.

The District did not elect to operate as a District of Choice; therefore, we did not perform any procedures related to District of Choice.

We did not perform the testing related to California Clean Energy Jobs Act because the District did not expend funds related to the California Clean Energy Jobs Act.

We did not perform procedures related to Charter School Facility Grant Program because the District did not expend funds related to the Charter School Facility Grant Program.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on El Dorado Union High School District's compliance with state laws and regulations, as listed above of based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on El Dorado Union High School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about El Dorado Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of El Dorado Union High School District's compliance.

Opinion on Compliance with State Laws and Regulations

In our opinion, El Dorado Union High School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2021.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
January 31, 2022

INDEPENDENT AUDITOR'S 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 Education
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, 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, 2021, and the related notes to the financial statements, which collectively comprise El Dorado Union High School District's basic financial statements, and have issued our report thereon dated January 31, 2022.

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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Dorado Union High School District's financial statements are free of 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.


Crowe LLP

Sacramento, California
January 31, 2022

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for 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 El Dorado Union High School District's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of El Dorado Union High School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about El Dorado Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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 its major federal programs for the year ended June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

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

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

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

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.


Crowe LLP

Sacramento, California
January 31, 2022

FINDINGS AND RECOMMENDATIONS

EL DORADO UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2021

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X _____ No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported	

Noncompliance material to financial statements noted?

	_____ Yes	_____ X _____ No	
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FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ X _____ No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X _____ None reported	

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	_____ Yes	_____ X _____ No	
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Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425,84.425C,84.425D	COVID-19: Education Stabilization Fund (ESF) Programs
21.019	COVID-19: Coronavirus Relief Fund
10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

	_____ X _____ Yes	_____ _____ No	
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STATE AWARDS

Type of auditors' report issued on compliance for state programs: Unmodified

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

EL DORADO UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

No matters were reported