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EL DORADO UNION HIGH SCHOOL DISTRICT

AUDIT REPORT

Fiscal Year Ended June 30, 2024

EL DORADO UNION HIGH SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

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

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the El Dorado Union High School District (the "District") as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 05, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 05, 2024

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

This section of El Dorado Union High School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by \$8.1 million, or 170.6% (See Table A-1).
- Governmental expenses were about \$114.6 million. Revenues were about \$122.7 million (See Table A-2).
- The District spent approximately \$5.0 million in new capital assets during the year. These expenditures were incurred primarily from improvement of sites and buildings which are currently in progress and acquisition of furniture and equipment (See Table A-3).
- The District's outstanding long-term debt increased by \$1.8 million. This was primarily due to the increase in the pension liability for 2023-24 (See Table A-4).

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. The basic financial statements include two kinds of statements that present different views of the District.

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

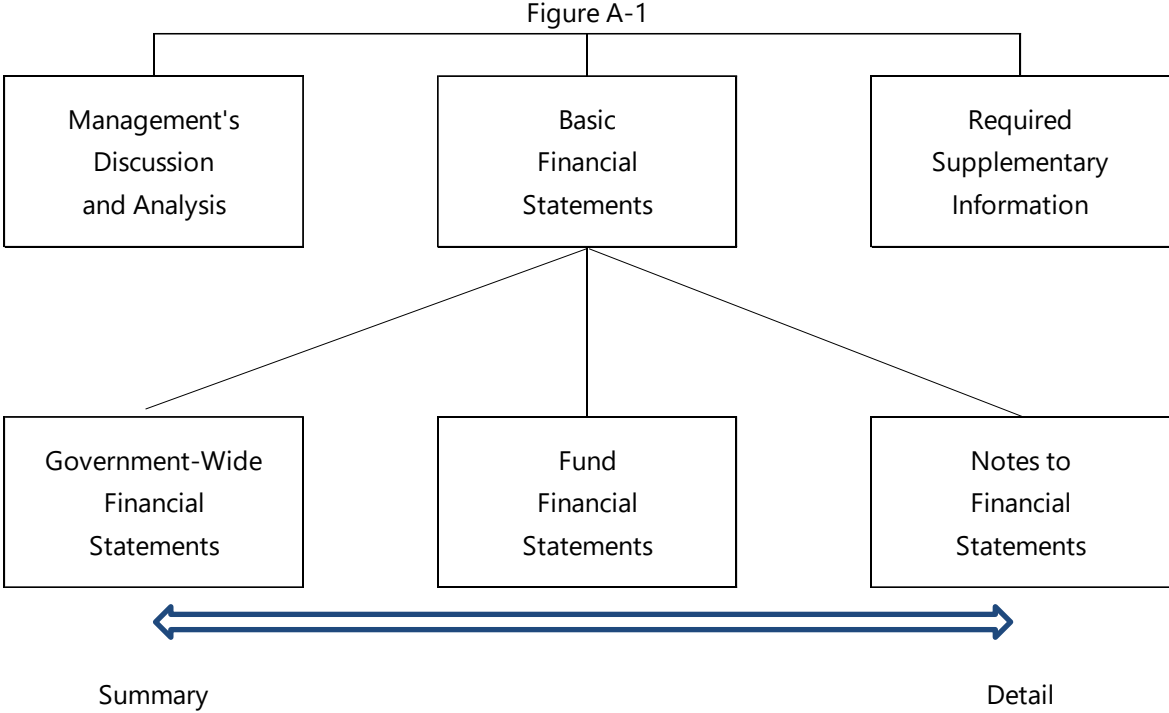
The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds financial statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Figure A-1, Organization of El Dorado Union High School District's Annual Financial Report



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

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

Type of Statements	Government-Wide	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District, except fiduciary activities.	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	The activities of the District that operate like a business, such as self-insurance funds.	Instances in which the District administers resources on behalf of someone else.
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Changes in Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain nonfinancial assets, though they can.	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain nonfinancial assets, though they can.
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Government-Wide Statements

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

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

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

Fund Financial Statements

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

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

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was higher on June 30, 2024, than it was the year before – increasing to \$12.9 million as noted in the summary below:

Table A-1

	Governmental Activities		
	2024	2023	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 54,185,545	\$ 49,737,909	\$ 4,447,636
Non-current assets	98,756,907	99,737,573	(980,666)
Deferred outflows of resources	31,961,356	30,223,103	1,738,253
Total Assets and Deferred Outflows of Resources	184,903,808	179,698,585	5,205,223
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities	6,904,366	7,892,267	(987,901)
Non-current liabilities	156,136,385	154,390,655	1,745,730
Deferred inflows of resources	8,936,701	12,638,220	(3,701,519)
Total Liabilities and Deferred Inflows of Resources	171,977,452	174,921,142	(2,943,690)
NET POSITION			
Investment in capital assets, net	22,864,271	19,231,085	3,633,186
Restricted	34,430,322	33,360,357	1,069,965
Unrestricted (deficit)	(44,368,237)	(47,813,999)	3,445,762
Total Net Position	\$ 12,926,356	\$ 4,777,443	\$ 8,148,913

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position

The District total revenues increased by 4.81% to \$122.7 million. The increase was due to the increased LCFF COLA of 8.22% along with federal grant awards for school safety.

The total cost of all programs and services increased 7.19% to \$7.7 million. The District's expenses are predominantly related to educating students, 71.44%. The administrative activities of the District accounted for just 8.27% of total costs.

Table A-2

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 1,669,119	\$ 1,880,253	\$ (211,134)
Operating grants and contributions	20,487,047	26,074,905	(5,587,858)
General revenues			
Property taxes, levied for general, debt service and other specific purposes	48,840,208	46,291,249	2,548,959
Federal and state aid not restricted for specific purposes	45,233,444	41,049,815	4,183,629
Other	6,479,359	1,786,550	4,692,809
Total Revenues	122,709,177	117,082,772	5,626,405
EXPENSES			
Instruction	54,333,281	50,449,377	3,883,904
Instruction-related services	10,851,627	9,964,041	887,586
Pupil services	16,658,917	14,728,262	1,930,655
General administration	9,472,767	7,266,590	2,206,177
Plant services	10,870,200	10,615,628	254,572
Ancillary services	1,878,952	2,700,439	(821,487)
Community services	27,434	12,566	14,868
Interest on long-term debt	1,595,316	2,816,433	(1,221,117)
Other outgo	2,910,512	2,240,543	669,969
Depreciation (unallocated)	5,961,258	6,084,172	(122,914)
Total Expenses	114,560,264	106,878,051	7,682,213
CHANGES IN NET POSITION	8,148,913	10,204,721	(2,055,808)
Net Position - Beginning	4,777,443	(5,427,278)	10,204,721
Net Position - Ending	\$ 12,926,356	\$ 4,777,443	\$ 8,148,913

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of \$52.4 million, which is above last year's ending fund balance of \$46.9 million. The primary causes of the increased fund balance are the state resources related to one time block grants to address learning loss during the pandemic.

General Fund Budgetary Highlights

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

Revenues

- Local Control Funding Formula (LCFF) was fully implemented in FY 2018-19. In FY 2023-24 statutory cost of-living adjustment (COLA) of 8.22% was funded.
- Enrollment decreased from prior year to 6,541 or by 175 students. Under the law, the District is allowed to use the greater of current year, previous year's Average Daily Attendance (ADA), or the prior three year average ADA.
- Carryover of unspent categorical funds from prior year were budgeted.
- Other revenue categories were also adjusted as grants became available from the Federal, State and local agencies.

Expenditures

- Employee benefits for the State Teacher Retirement System (STRS) remained at 19.10% and the Public Employee Retirement System (PERS) increased from 25.37% to 26.68% of the employees' gross payroll.
- Restricted Maintenance Account (RMA) contribution was at 4.40%.
- Budgeted expenditures were adjusted in accordance to the increase in categorical program revenues.
- Additionally, budget for unspent categorical programs (entitlements) with fund balance from the prior year were increased.
- Other expenditure categories were adjusted to cover any unexpected changes during the year.

While the District's final budget for the General Fund, as listed on page 57, anticipated that expenditures would exceed revenues by about \$3.2 million, the actual results for the year show that revenues exceeded expenditures by \$3.9 million. Actual revenues were \$0.3 million less than anticipated, and expenditures were \$7.4 million less than budgeted. These amounts consist primarily of restricted categorical program dollars that were not spent as of June 30, 2024, and will be carried over into the 2024-25 budget.

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION

By the end of 2023-24, the District had invested \$206.5 million in capital assets, related to the District's ongoing construction and modernization program. (More detailed information about capital assets can be found in the notes to financial statements). Total depreciation for the year was \$6.0 million.

Table A-3

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	\$ 4,197,064	\$ 4,197,064	\$ -
Construction in progress	9,169,480	6,821,812	2,347,668
Land improvements	21,991,824	21,964,191	27,633
Buildings and improvements	154,320,737	154,268,491	52,246
Furniture and equipment	16,827,361	14,274,316	2,553,045
Less: accumulated depreciation	(107,749,559)	(101,788,301)	(5,961,258)
Capital Assets, Net	\$ 98,756,907	\$ 99,737,573	\$ (980,666)

LONG-TERM LIABILITIES

At year-end, the District had \$160.4 million in general obligation bonds, certificates of participation, lease liabilities, pension liabilities, other postemployment benefits and compensated absences – an increase of 1.12% from last year (more detailed information about the District's long-term liabilities is presented in notes to the financial statements).

Table A-4

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 61,771,865	\$ 64,071,488	\$ (2,299,623)
Certificates of participation	15,545,000	16,435,000	(890,000)
Lease liabilities	474,460	620,486	(146,026)
Net pension liability	74,567,110	68,849,911	5,717,199
Net OPEB liability	6,739,535	7,336,937	(597,402)
Compensated absences	1,272,224	1,284,015	(11,791)
Less: long-term debt, current portion	(4,233,809)	(4,207,182)	(26,627)
Total Long-Term Liabilities, Non-current Portion	\$ 156,136,385	\$ 154,390,655	\$ 1,745,730

**EL DORADO UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FACTORS BEARING ON THE DISTRICT'S FUTURE

During the District's budget development process, the following budget assumptions were applied to the District's budget based on the most current information available at that time. However, revenue and expenditure assumptions have changed since then. The following assumptions were applied to the El Dorado Union High School District's 2024-25 Budget that was adopted in June 2024.

The following assumptions were used in estimating revenues and expenditures:

- a) Local Control Funding Formula (LCFF) for 2024-25 is calculated using the following assumptions:
 - Funded Average Daily Attendance (ADA) of 6,293.39
 - Cost of Living Adjustment (COLA) of 1.07%
 - Unduplicated Pupil Percentage of 22.28% (rolling three-year average)
- b) Federal revenues are projected to decline mainly due to the elimination of one time COVID-19 funds expiring September 2024 which included ESSER Funds along with ELO funds.
- c) State revenues are projected to decline mainly due to the elimination of one-time funds, such as ELOG funds, which will be budgeted after Unaudited Actuals and when carryover is confirmed.
- d) Local revenues are based on historical trends and commitments from donors.
- e) Certificated staffing decreased by 9.67 FTE due to declining enrollment.
- f) Classroom staffing allocation has been adjusted based on the projected enrollment. Class sizes and the ratios remains the same as the prior-year, 32.57:1 for first semester and 31.57:1 for second semester.
- g) Employee benefits include all the related statutory benefits applicable to the Certificated and Classified Salaries. The State Teachers Retirement System (STRS) contribution rate remained at 19.10% while the Public Employees' Retirement System (PERS) contribution rate increased to 27.60%
- h) Books and supplies increased due to inflation.
- i) Services and operation expenses increased due to fuel and sub-agreements for Special Education increasing by 20% due to rising costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL SECTION

EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and equivalents	\$ 47,303,886
Accounts receivable	6,230,280
Prepaid expenses	636,828
Inventory	14,551
Total Current Assets	<u>54,185,545</u>
Non-Current Assets:	
Capital assets not being depreciated	13,366,544
Capital assets being depreciated, net	85,390,363
Total Non-Current Assets	<u>98,756,907</u>
TOTAL ASSETS	<u>152,942,452</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	3,285,236
Deferred outflows related to OPEB	2,427,025
Deferred outflows related to pensions	26,249,095
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>31,961,356</u>
LIABILITIES	
Current Liabilities:	
Accrued liabilities	652,308
Unmatured interest	849,413
Due to other funds	694,370
Unearned revenue	474,466
Long-term debt, current portion	4,233,809
Total Current Liabilities	<u>6,904,366</u>
Non-Current Liabilities:	
Net pension liability	74,567,110
Net OPEB liability	6,739,535
Long-term debt, non-current portion	74,829,740
Total Non-Current Liabilities	<u>156,136,385</u>
TOTAL LIABILITIES	<u>163,040,751</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	7,045,866
Deferred inflows related to OPEB	1,890,835
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,936,701</u>
NET POSITION	
Investment in capital assets, net	22,864,271
Restricted:	
Educational programs	6,740,944
Debt service	2,541,393
Capital projects	19,601,393
Child nutrition	3,176,234
Student activity funds	531,496
Other restrictions	1,838,862
Unrestricted (deficit)	<u>(44,368,237)</u>
TOTAL NET POSITION	<u>\$ 12,926,356</u>

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 54,333,281	\$ 91,372	\$ 11,082,033	\$ (43,159,876)
Instruction-related services				
Instructional supervision and administration	2,657,968	31,562	1,019,268	(1,607,138)
Instructional library, media, and technology	996,091	-	178,583	(817,508)
School site administration	7,197,568	-	358,467	(6,839,101)
Pupil services				
Home-to-school transportation	5,553,623	381	46,728	(5,506,514)
Food services	3,055,629	210,625	3,390,645	545,641
All other pupil services	8,049,665	2,156	877,251	(7,170,258)
General administration				
Centralized data processing	1,854,611	-	-	(1,854,611)
All other general administration	7,618,156	154,609	1,216,944	(6,246,603)
Plant services	10,870,200	494,951	45,092	(10,330,157)
Ancillary services	1,878,952	22,319	1,140,498	(716,135)
Community services	27,434	-	-	(27,434)
Interest on long-term debt	1,595,316	-	-	(1,595,316)
Other outgo	2,910,512	661,144	1,131,538	(1,117,830)
Depreciation (unallocated)	5,961,258	-	-	(5,961,258)
Total Governmental Activities	\$ 114,560,264	\$ 1,669,119	\$ 20,487,047	(92,404,098)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				43,371,499
Property taxes, levied for debt service				3,156,927
Property taxes, levied for other specific purposes				2,311,782
Federal and state aid not restricted for specific purposes				45,233,444
Interest and investment earnings				3,573,953
Interagency revenues				697
Miscellaneous				2,904,709
Subtotal, General Revenues				100,553,011
CHANGES IN NET POSITION				8,148,913
Net Position - Beginning				4,777,443
Net Position - Ending				\$ 12,926,356

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Capital Project for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and equivalents	\$ 21,667,530	\$ 2,971,794	\$ 7,129,155	\$ 11,814,382	\$ 3,721,025	\$ 47,303,886
Accounts receivable	5,943,406	286,874	-	-	-	6,230,280
Inventory	14,551	-	-	-	-	14,551
Prepaid expenses	636,828	-	-	-	-	636,828
TOTAL ASSETS	\$ 28,262,315	\$ 3,258,668	\$ 7,129,155	\$ 11,814,382	\$ 3,721,025	\$ 54,185,545
LIABILITIES						
Accrued liabilities	\$ 571,372	\$ 80,936	\$ -	\$ -	\$ -	\$ 652,308
Due to other funds	694,370	-	-	-	-	694,370
Unearned revenue	335,624	138,842	-	-	-	474,466
TOTAL LIABILITIES	1,601,366	219,778	-	-	-	1,821,144
FUND BALANCES						
Non-spendable	668,044	3,385	-	-	-	671,429
Restricted	8,730,255	3,035,505	7,129,155	11,814,382	3,721,025	34,430,322
Assigned	368,454	-	-	-	-	368,454
Unassigned	16,894,196	-	-	-	-	16,894,196
TOTAL FUND BALANCES	26,660,949	3,038,890	7,129,155	11,814,382	3,721,025	52,364,401
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,262,315	\$ 3,258,668	\$ 7,129,155	\$ 11,814,382	\$ 3,721,025	\$ 54,185,545

**EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Fund Balances - Governmental Funds \$ 52,364,401

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

Capital assets:

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

Capital assets	\$ 206,506,466	
Accumulated depreciation	<u>(107,749,559)</u>	98,756,907

Unmatured interest on long-term debt:

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

(849,413)

Long-term liabilities:

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

General obligation bonds, principal balance	56,620,831	
Accreted interest	1,898,689	
Unamortized debt premiums	3,252,345	
Certificates of participation	15,545,000	
Lease liabilities	474,460	
Net pension liability	74,567,110	
Net OPEB liability	6,739,535	
Compensated absences	<u>1,272,224</u>	(160,370,194)

Deferred gain or loss on debt refunding:

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

3,285,236

Deferred outflows and inflows of resources related to pensions:

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

Deferred outflows related to pensions	26,249,095	
Deferred inflows related to pensions	<u>(7,045,866)</u>	19,203,229

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):

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

Deferred outflows related to OPEB	2,427,025	
Deferred inflows related to OPEB	<u>(1,890,835)</u>	536,190

Total Net Position - Governmental Activities \$ 12,926,356

**EL DORADO UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Capital Project for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 85,106,610	\$ -	\$ -	\$ -	\$ -	\$ 85,106,610
Federal sources	4,188,201	1,248,355	-	-	-	5,436,556
Other state sources	9,722,444	2,439,289	-	-	-	12,161,733
Other local sources	10,936,634	332,073	1,908,404	2,806,818	4,331,161	20,315,090
Total Revenues	109,953,889	4,019,717	1,908,404	2,806,818	4,331,161	123,019,989
EXPENDITURES						
Current						
Instruction	55,166,557	-	-	-	-	55,166,557
Instruction-related services						
Instructional supervision and administration	2,714,911	-	-	-	-	2,714,911
Instructional library, media, and technology	1,013,657	-	-	-	-	1,013,657
School site administration	7,214,425	-	-	-	-	7,214,425
Pupil services						
Home-to-school transportation	5,515,919	-	-	-	-	5,515,919
Food services	203,795	2,837,862	-	-	-	3,041,657
All other pupil services	8,171,743	-	-	-	-	8,171,743
General administration						
Centralized data processing	1,838,354	-	-	-	-	1,838,354
All other general administration	7,410,139	92,039	96,534	-	-	7,598,712
Plant services	10,776,356	6,232	-	11,895	-	10,794,483
Facilities acquisition and maintenance	400,334	-	-	1,831,205	1,496,689	3,728,228
Ancillary services	1,978,140	-	-	-	1,165,655	3,143,795
Community services	27,434	-	-	-	-	27,434
Transfers to other agencies	2,904,392	-	-	-	-	2,904,392
Other outgo	1,750	-	4,370	-	-	6,120
Debt service						
Principal	611,026	-	347,119	77,881	1,585,000	2,621,026
Interest and other	143,827	-	175,675	39,407	1,720,649	2,079,558
Total Expenditures	106,092,759	2,936,133	623,698	1,960,388	5,967,993	117,580,971
Excess/(Deficiency) of Revenues						
Over Expenditures	3,861,130	1,083,584	1,284,706	846,430	(1,636,832)	5,439,018
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	-	-	45,414	45,414
Transfers out	-	-	-	-	(45,414)	(45,414)
Other Financing Sources/(Uses), Net	-	-	-	-	-	-
CHANGES IN FUND BALANCES						
Fund Balances - Beginning	22,799,819	1,955,306	5,844,449	10,967,952	5,357,857	46,925,383
Fund Balances - Ending	\$ 26,660,949	\$ 3,038,890	\$ 7,129,155	\$ 11,814,382	\$ 3,721,025	\$ 52,364,401

**EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Changes in Fund Balances - Governmental Funds \$ 5,439,018

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

Capital outlay:

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

	Expenditures for capital outlay	\$ 4,980,592	
	Depreciation expense	<u>(5,961,258)</u>	(980,666)

Debt service:

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

2,621,026

Unmatured interest on long-term debt:

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

23,146

Accreted interest on long-term debt:

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

412,482

Compensated absences:

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

11,791

Pensions:

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:

1,231,444

Postemployment benefits other than pensions (OPEB):

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

(657,942)

Deferred gain or loss on debt refunding:

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

(253,527)

Amortization of debt issuance premium or discount:

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

302,141

Changes in Net Position of Governmental Activities

\$ 8,148,913

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Financial Reporting Entity

The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the GASB 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 District has financial and operational relationships with the El Dorado School Financing Community Facilities District (the "Agency") and the El Dorado Union High School District Facilities Corporation (the "Corporation"). The Agency meets the definition of a joint venture. The Corporation meets the reporting entity definition criteria of the GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Agency and the Corporation are required to be included in the financial statements of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, as amended. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

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

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Component Units, continued

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

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

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

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

Other Related Entities

Charter School - The District has approved Pacific Crest Academy (the "Charter"), pursuant to *Education Code* Section 47605. The Charter is operated by the District, and its financial activities are presented in the General Fund.

Joint Powers Agencies and Public Entity Risk Pools - The District is associated with Schools Insurance Authority (SIA) joint power authority. The organization does not meet the criteria for inclusion as component units of the District. More detailed information is presented in Note 11 to financial statements.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

Cafeteria Special Revenue Fund - The Cafeteria Special Revenue Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation - Fund Accounting, continued

Non-Major Governmental Funds

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

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

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

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

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus

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

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and for each governmental function, and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting - Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

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

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

Cash and Equivalents

The District's cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows. Fair values of cash in county treasury are determined by the program sponsor.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2024 are deemed fully collectible.

Prepaid Expenses

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

Inventory

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

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

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

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

Interfund Balances

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, unmatured interest, and long-term liabilities are reported in the government-wide and governmental fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

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

Debt Issuance Costs, Premiums and Discounts

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. For a District this size, the policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 3 percent of General Fund expenditures and other financing uses.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and deferred charges on refunding bonds that are attributable capital activity. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$34,430,322 of restricted net position, of which is restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the Statement of Activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Encumbrances

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

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Tax

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

Budgetary Data

The budgetary process is prescribed by provisions of the *California Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under GAAP.

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*, which focuses on accounting changes and error corrections, providing clarity and guidance on how these should be handled in financial statements. It aims to improve the consistency and transparency of reporting such changes. This statement is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Management has determined that the adoption of the new accounting standard did not have any material impact on the financial statements of the District.

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Upcoming GASB Pronouncements

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

GASB Statement No. 101 - In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*, which addresses compensated absences, revising the recognition and measurement of liabilities related to employee leave benefits. It aims to standardize how these liabilities are reported across different governmental entities. This statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102 - In December 2023, GASB issued GASB Statement No. 102, *Certain Risk Disclosures*, which pertains to the disclosure of non-current liabilities, including guidance on how these liabilities should be presented in financial statements to enhance the relevance and comparability of the information. This statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103 - In April 2024, GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*, which introduces changes to the presentation model for business-type activities (BTAs). It revises the required sections and subtotals in financial statements, particularly affecting the presentation of operating and nonoperating activities. One significant change is the separate identification of noncapital subsidies within nonoperating activities. This statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 – CASH AND EQUIVALENTS

Summary of Cash and Equivalents

Cash and equivalents as of June 30, 2024, consist of the following:

	Governmental Activities
Cash in county treasury	\$ 41,885,599
Cash on hand and in banks	531,496
Cash with fiscal agent	5,501,811
Cash in revolving fund	20,050
Fair market value adjustment	(635,070)
Total	\$ 47,303,886

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 – CASH AND EQUIVALENTS, continued

Policies and Practices

The District is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Cash in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 – CASH AND EQUIVALENTS, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

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

Investment Type:	Fair Value	Maturity
County Treasury	\$ 41,250,529	619 Days

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, none of the District's bank balance was exposed to custodial credit risk.

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Special Revenue Fund	Total Governmental Activities
Federal Government			
Categorical aid	\$ 2,109,534	\$ 286,874	\$ 2,396,408
State Government			
Categorical aid	350,671	-	350,671
Lottery	392,802	-	392,802
LCFF	2,889,699	-	2,889,699
Local Government			
Other local sources	200,700	-	200,700
Total	<u>\$ 5,943,406</u>	<u>\$ 286,874</u>	<u>\$ 6,230,280</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated				
Land	\$ 4,197,064	\$ -	\$ -	\$ 4,197,064
Construction in progress	6,821,812	3,582,854	1,235,186	9,169,480
Total Capital Assets Not Being Depreciated	<u>11,018,876</u>	<u>3,582,854</u>	<u>1,235,186</u>	<u>13,366,544</u>
Capital Assets Being Depreciated				
Land improvements	21,964,191	27,633	-	21,991,824
Buildings and improvements	154,268,491	52,246	-	154,320,737
Furniture and equipment	14,274,316	2,553,045	-	16,827,361
Total Capital Assets Being Depreciated	<u>190,506,998</u>	<u>2,632,924</u>	<u>-</u>	<u>193,139,922</u>
Total Capital Assets	<u>201,525,874</u>	<u>6,215,778</u>	<u>1,235,186</u>	<u>206,506,466</u>
Less: Accumulated Depreciation				
Land improvements	15,345,551	927,608	-	16,273,159
Buildings and improvements	75,115,448	4,254,928	-	79,370,376
Furniture and equipment	11,327,302	778,722	-	12,106,024
Total Accumulated Depreciation	<u>101,788,301</u>	<u>5,961,258</u>	<u>-</u>	<u>107,749,559</u>
Capital Assets, Net	<u>\$ 99,737,573</u>	<u>\$ 254,520</u>	<u>\$ 1,235,186</u>	<u>\$ 98,756,907</u>

Depreciation expense of \$5,961,258 was not allocated as a direct expense to governmental functions.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. There were no interfund receivable and payable balances at June 30, 2024.

Payable / Due to	Receivable / Due from	
	Retiree Benefit Fund	Total
General Fund	\$ 694,370	\$ 694,370
Total	\$ 694,370	\$ 694,370

Due from General Fund to Retiree Benefit Fund for cash in county treasury to be deposited into the irrevocable trust.	\$ 694,370
Total	\$ 694,370

Interfund Transfers (In/Out)

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Interfund Transfer Out	Interfund Transfer In	
	Non-Major Governmental Funds	Total
Non-Major Governmental Funds	\$ 45,414	\$ 45,414
Total	\$ 45,414	\$ 45,414

Transfer from Bond Interest and Redemption Fund to Bond Interest and Redemption Fund to close out residual funds from the payoff of the 2008 Refunding Bonds.	\$ 45,414
Total	\$ 45,414

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – ACCRUED LIABILITIES AND UNMATURED INTEREST

Accrued liabilities and unmatured interest at June 30, 2024, consisted of the following:

	General Fund	Cafeteria Special Revenue Fund	Total Governmental Funds	Government- Wide	Total Governmental Activities
Payroll and related	\$ 151,904	\$ 80,596	\$ 232,500	\$ -	\$ 232,500
Vendors payable	335,216	340	335,556	-	335,556
LCFF payable	4,638	-	4,638	-	4,638
Due to grantor government	79,614	-	79,614	-	79,614
Unmatured interest		-	-	849,413	849,413
Total	\$ 571,372	\$ 80,936	\$ 652,308	\$ 849,413	\$ 1,501,721

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Cafeteria Special Revenue Fund	Total Governmental Activities
Federal Government Categorical aid	\$ 277,699	\$ 138,842	\$ 416,541
State Government Other state sources	57,925	-	57,925
Total	\$ 335,624	\$ 138,842	\$ 474,466

NOTE 8 – LONG-TERM LIABILITIES

Summary

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Liabilities					
General obligation bonds					
Principal balance	\$ 58,205,831	\$ -	\$ 1,585,000	\$ 56,620,831	\$ 1,595,000
Accreted interest	2,311,171	538,532	951,014	1,898,689	-
Unamortized debt premiums	3,554,486	-	302,141	3,252,345	302,141
Certificates of participation	16,435,000	-	890,000	15,545,000	915,000
Lease liabilities	620,486	-	146,026	474,460	149,444
Net OPEB liability	7,336,937	-	597,402	6,739,535	-
Net pension liability	68,849,911	5,717,199	-	74,567,110	-
Compensated absences	1,284,015	-	11,791	1,272,224	1,272,224
Total	\$ 158,597,837	\$ 6,255,731	\$ 4,483,374	\$ 160,370,194	\$ 4,233,809

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES, continued

Summary, continued

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

General Obligation Bonds

The District has three outstanding bond issuances from prior years. These outstanding obligations are comprised of current interest and capital appreciation bonds, bear interest between 0.375 and 5.00 percent and are scheduled to mature at various times through August 1, 2042.

A summary of General Obligation Bonds payable as of June 30, 2024 follows:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Series 2016 (refunding)	11/8/2016	8/1/2034	2.00% - 5.00%	\$ 33,195,000	\$ 23,375,000	\$ -	\$ 1,485,000	\$ 21,890,000	\$ 1,405,000
Series 2020 (refunding)	4/23/2020	8/1/2035	5.00%	13,590,000	13,390,000	-	100,000	13,290,000	190,000
Series 2020 (refunding) - Federally Taxable	9/29/2020	8/1/2042	0.375% - 3.620%	21,490,831	21,440,831	-	-	21,440,831	-
Accreted Interest				-	2,311,171	538,532	951,014	1,898,689	-
Total				\$ 68,275,831	\$ 60,517,002	\$ 538,532	\$ 2,536,014	\$ 58,519,520	\$ 1,595,000

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2024 are as follows:

Year Ending	Principal	Interest	Accreted Interest	Total
June 30, 2025	\$ 1,595,000	\$ 1,640,449	\$ -	\$ 3,235,449
2026	1,795,000	1,555,699	-	3,350,699
2027	2,010,000	1,460,574	-	3,470,574
2028	2,245,000	1,354,199	-	3,599,199
2029	2,495,000	1,264,780	-	3,759,780
2030-2034	16,085,000	4,899,155	-	20,984,155
2035-2039	16,265,624	1,664,305	8,084,376	26,014,305
2040-2043	14,130,207	883,988	6,734,792	21,748,987
Accretion	1,898,689	-	(1,898,689)	-
Total	\$ 58,519,520	\$ 14,723,149	\$ 12,920,479	\$ 86,163,148

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES, continued

Certificate of Participation (COPs)

In November 2019, the District issued Refunding Certificates of Participation, Series 2019, for the purposes of a current refunding of the Current Interest portion of the 2009 COPs. The 2019 Refunding COPs bear interest ranging from 2.67 percent to 3.00 percent 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 percent to 2.298 percent and mature through December 1, 2030.

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

Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 915,000	\$ 332,224	\$ 1,247,224
2026	935,000	322,813	1,257,813
2027	655,000	313,015	968,015
2028	680,000	302,973	982,973
2029	735,000	290,563	1,025,563
2030-2034	4,110,000	1,206,662	5,316,662
2035-2039	5,300,000	642,741	5,942,741
2040-2042	2,215,000	64,594	2,279,594
Total	\$ 15,545,000	\$ 3,475,585	\$ 19,020,585

Lease Liabilities

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

Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 149,446	\$ 14,914	\$ 164,360
2026	104,636	11,375	116,011
2027	108,298	7,713	116,011
2028	112,080	3,923	116,003
Total	\$ 474,460	\$ 37,925	\$ 512,385

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES, continued

Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to \$1,272,224. This amount is included as part of long-term liabilities in the government-wide financial statements.

Net OPEB Liability

The District’s beginning net OPEB liability was \$7,336,937, and decreased to \$6,739,535 during the year ended June 30, 2024. See Note 9 for additional information regarding the net OPEB liability.

Net Pension liability

The District’s beginning net pension liability was \$68,849,911, and increased to \$74,567,110 during the year ended June 30, 2024. See Note 12 for additional information regarding the net pension liability.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB)

For the fiscal year ended June 30, 2024, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 6,739,535	\$ 2,427,025	\$ 1,890,835	\$ 657,942

The details of each plan are as follows:

Plan Administration

In addition to the pension benefits described in Note 12, 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.

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

Plan Membership

At June 30, 2024, the valuation date, the Plan membership consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	59
Active Employees	362
Total	421

Benefits Provided

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

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

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

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

Contributions

Eligible employees are not permitted to make contributions to the Plan. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. Contributions to the Plan are voluntary, but the District contributes an amount sufficient to fully fund the net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District were \$369,200 for the year ended June 30, 2024. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability of the District

The District's total OPEB liability of \$9,660,957 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement, unless otherwise specified:

Valuation date	June 30, 2024
Measurement date	June 30, 2024
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.50%
Investment rate of return	4.66%
Discount rate	4.66%
Healthcare cost trend rate	2.75%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS active mortality for miscellaneous and school employees were used.

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2023	\$ 10,118,244	\$ 2,781,307	\$ 7,336,937
Changes for the year:			
Service cost	522,925	-	522,925
Interest	466,936	-	466,936
Employer contributions	-	369,200	(369,200)
Changes of assumptions	(50,053)	-	(50,053)
Difference between expected and actual experience	(1,027,895)	-	(1,027,895)
Investment gains/(losses)	-	155,395	(155,395)
Administrative expense	-	(15,280)	15,280
Expected benefit payments	(369,200)	(369,200)	-
Net change	(457,287)	140,115	(597,402)
Balance June 30, 2024	\$ 9,660,957	\$ 2,921,422	\$ 6,739,535

Changes of assumptions and other inputs reflect a change in the investment rate of return and discount rate from 4.58 in 2023 to 4.66 percent in 2024.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

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

	Discount Rate 1% Lower (3.66%)	Current Discount Rate (4.66%)	Discount Rate 1% Higher (5.66%)
Net OPEB liability/(asset)	\$ 7,825,995	\$ 6,739,535	\$ 5,815,767

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability/(asset) of the District, as well as what the District's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rate that is one percent lower or higher than the current healthcare costs trend rate:

	Trend Rate 1% Lower (1.75%)	Current Trend Rate (2.75%)	Trend Rate 1% Higher (3.75%)
Net OPEB liability/(asset)	\$ 5,547,587	\$ 6,739,535	\$ 8,203,750

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT (OPEB), continued

OPEB Expense/(Benefit) and Deferred Outflows and Deferred Inflows of Resources related to OPEB

At June 30, 2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 160,623	\$ -
Differences between expected and actual experience	671,643	1,845,838
Change in assumptions	1,594,759	44,997
Total	\$ 2,427,025	\$ 1,890,835

For the year ended June 30, 2024, the District recognized OPEB expense/(benefit) of \$657,942.

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 164,302
2026	229,313
2027	123,175
2028	119,809
2029	118,994
Thereafter	(219,403)
Total	\$ 536,190

EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Capital Project for Blended Component Units Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Cash and equivalent	\$ 16,665	\$ 3,385	\$ -	\$ -	\$ -	\$ 20,050
Inventory	14,551	-	-	-	-	14,551
Prepaid expenses	636,828	-	-	-	-	636,828
Total non-spendable	668,044	3,385	-	-	-	671,429
Restricted						
Legally restricted programs	6,740,944	-	-	-	-	6,740,944
Debt service	-	-	-	-	2,541,393	2,541,393
Capital projects	9,720	-	7,129,155	11,814,382	648,136	19,601,393
Child nutrition	140,729	3,035,505	-	-	-	3,176,234
Student activity funds	-	-	-	-	531,496	531,496
Other restrictions	1,838,862	-	-	-	-	1,838,862
Total restricted	8,730,255	3,035,505	7,129,155	11,814,382	3,721,025	34,430,322
Assigned						
Other assignments	368,454	-	-	-	-	368,454
Total assigned	368,454	-	-	-	-	368,454
Unassigned						
Reserve for economic uncertainties	3,182,783	-	-	-	-	3,182,783
Remaining unassigned	13,711,413	-	-	-	-	13,711,413
Total unassigned	16,894,196	-	-	-	-	16,894,196
Total Fund Balances	\$ 26,660,949	\$ 3,038,890	\$ 7,129,155	\$ 11,814,382	\$ 3,721,025	\$ 52,364,401

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 – RISK MANAGEMENT

Schools Insurance Authority

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

El Dorado Schools Financing Authority Community Facilities District

The El Dorado School Financing Community Facilities District (the Agency or EDSFACFD) was formed by a Joint Powers Agreement 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 and its powers are limited to the implementation of the Mello-Roos financing plan contemplated in the Joint Powers Agreement.

The following is a summary of financial information for SIA as of June 30, 2023 and EDSFACFD at June 30, 2024 (the most recent information available):

	SIA	EDSFACFD
Total assets	\$ 223,071,864	\$ 14,336,493
Total deferred outflows of resources	4,747,151	-
Total liabilities	106,527,925	-
Total deferred inflows of resources	1,649,206	-
Total net position	<u>\$ 119,641,884</u>	<u>\$ 14,336,493</u>
Total revenues	\$ 78,661,963	\$ 6,723,722
Total expenses	85,253,824	11,603,741
Change in net position	<u>\$ (6,591,861)</u>	<u>\$ (4,880,019)</u>

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense/(Benefit)
CalSTRS	\$ 44,670,040	\$ 16,056,945	\$ 5,896,487	\$ 5,860,985
CalPERS	29,897,070	10,192,150	1,149,379	4,585,684
Total	\$ 74,567,110	\$ 26,249,095	\$ 7,045,866	\$ 10,446,669

The details of each plan are as follows:

California State Teachers’ Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District’s total contributions were \$7,396,396.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Pension Liabilities, Pension Expense/(Benefit), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, 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	\$ 44,670,040
State's proportionate share of the net pension liability associated with the District	21,403,058
Total	<u>\$ 66,073,098</u>

The net pension liability was measured as of June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.059 percent and 0.058 percent, resulting in an increase of 0.001 percent in the proportionate share.

For the year ended June 30, 2024, the District recognized pension expense/(benefit) of \$5,860,985. In addition, the District recognized pension expense and revenue of \$310,812 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 188,978	\$ -
Differences between expected and actual experience	3,510,582	2,389,487
Changes in assumptions	258,657	-
Net changes in proportionate share of net pension liability	4,702,332	3,507,000
District contributions subsequent to the measurement date	7,396,396	-
Total	<u>\$ 16,056,945</u>	<u>\$ 5,896,487</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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 June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (1,627,866)
2026	(2,416,133)
2027	5,222,286
2028	555,760
2029	444,918
Thereafter	585,097
Total	<u>\$ 2,764,062</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The long-term investment rate of return assumption 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. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
Total	100%	

*20-year average. Real rates of return of net of assumed 2.75% inflation.

Discount Rate

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers’ Retirement System (CalSTRS), continued

Discount Rate, continued

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan’s net pension liability	\$ 74,930,427	\$ 44,670,040	\$ 19,535,261

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Benefits Provided, continued

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.68%	26.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$4,281,717.

Pension Liabilities, Pension Expense/(Benefit), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$28,897,070. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022 respectively was 0.083 percent and 0.084 percent, resulting in a net decrease in the proportionate share of 0.001 percent.

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

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

For the year ended June 30, 2024, the District recognized pension expense of \$4,585,684. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ 3,193,434	\$ -
Differences between expected and actual experience	1,091,028	459,175
Changes in assumptions	1,377,346	-
Net changes in proportionate share of net pension liability	248,625	690,204
District contributions subsequent to the measurement date	4,281,717	-
Total	<u>\$ 10,192,150</u>	<u>\$ 1,149,379</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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 June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 1,271,908
2026	984,178
2027	2,468,261
2028	36,707
Total	<u>\$ 4,761,054</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity Cap-weighted	30%	4.54%
Global Equity Non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024**

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees Retirement System (CalPERS), continued

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	\$ 43,223,435	\$ 29,897,070	\$ 18,883,132

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$3,423,390. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Tax Deferred Annuity/Social Security

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Construction Commitments

As of June 30, 2024, the District had \$1,554,001 of commitments with respect to the unfinished capital projects:

NOTE 14 – SUBSEQUENT EVENT

Management has evaluated subsequent events from June 30, 2024 through December 05, 2024, the date the financial statements were issued. Management has concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EL DORADO UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 79,717,075	\$ 84,542,876	\$ 85,106,610	\$ 563,734
Federal sources	4,976,045	4,496,728	4,188,201	(308,527)
Other state sources	12,985,304	9,563,106	9,722,444	159,338
Other local sources	8,428,189	11,631,878	10,936,634	(695,244)
Total Revenues	106,106,613	110,234,588	109,953,889	(280,699)
EXPENDITURES				
Certificated salaries	38,209,733	40,011,360	39,934,488	76,872
Classified salaries	14,770,754	16,364,681	16,354,076	10,605
Employee benefits	24,464,779	25,754,728	25,120,848	633,880
Books and supplies	7,349,465	7,140,970	4,623,403	2,517,567
Services and other operating expenditures	16,411,347	16,974,780	14,573,666	2,401,114
Capital outlay	3,124,444	3,511,373	1,919,072	1,592,301
Other outgo				
Excluding transfers of indirect costs	3,029,450	3,796,712	3,659,245	137,467
Transfers of indirect costs	(84,844)	(89,445)	(92,039)	2,594
Total Expenditures	107,275,128	113,465,159	106,092,759	7,372,400
Excess/(Deficiency) of Revenues				
Over Expenditures	(1,168,515)	(3,230,571)	3,861,130	7,091,701
OTHER FINANCING SOURCES/(USES)				
Other sources	74,475	-	-	-
Transfers out	(174,000)	-	-	-
Other Financing Sources/(Uses), Net	(99,525)	-	-	-
CHANGES IN FUND BALANCE	(1,268,040)	(3,230,571)	3,861,130	7,091,701
Fund Balance - Beginning	22,799,819	22,799,819	22,799,819	-
Fund Balance - Ending	\$ 21,531,779	\$ 19,569,248	\$ 26,660,949	\$ 7,091,701

**EL DORADO UNION HIGH SCHOOL DISTRICT
CAFETERIA SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Federal sources	\$ 895,480	\$ 1,100,000	\$ 1,248,355	\$ 148,355
Other state sources	2,085,793	2,100,000	2,439,289	339,289
Other local sources	247,500	257,200	332,073	74,873
Total Revenues	3,228,773	3,457,200	4,019,717	562,517
EXPENDITURES				
Classified salaries	1,092,913	878,237	1,153,284	(275,047)
Employee benefits	526,391	453,344	458,011	(4,667)
Books and supplies	1,374,533	1,394,975	1,070,435	324,540
Services and other operating expenditures	163,894	168,125	162,364	5,761
Other outgo				
Transfers of indirect costs	90,450	91,066	92,039	(973)
Total Expenditures	3,248,181	2,985,747	2,936,133	49,614
Excess/(Deficiency) of Revenues				
Over Expenditures	(19,408)	471,453	1,083,584	612,131
CHANGES IN FUND BALANCE				
Fund Balance - Beginning	1,955,306	1,955,306	1,955,306	-
Fund Balance - Ending	\$ 1,935,898	\$ 2,426,759	\$ 3,038,890	\$ 612,131

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 522,925	\$ 491,517	\$ 515,200	\$ 467,185
Interest	466,936	449,210	527,733	491,178
Changes of assumptions	(50,053)	178,170	869,025	319,171
Difference between expected and actual experience	(1,027,895)	-	(1,280,904)	-
Benefit payments	(369,200)	(423,907)	(256,322)	(363,435)
Net change in total OPEB liability	(457,287)	694,990	374,732	914,099
Total OPEB liability, beginning of year	10,118,244	9,423,254	9,048,522	8,134,423
Total OPEB liability, end of year (a)	\$ 9,660,957	\$ 10,118,244	\$ 9,423,254	\$ 9,048,522
Plan fiduciary net position				
Employer contributions	\$ 369,200	\$ 423,907	\$ 256,322	\$ 363,435
Investment income	-	-	-	478,825
Investment gains/(losses)	155,395	135,747	-	-
Administrative expense	(15,280)	(15,206)	(16,391)	(15,100)
Expected benefit payments	(369,200)	(423,907)	(256,322)	(363,435)
Other	-	-	(356,721)	-
Change in plan fiduciary net position	140,115	120,541	(373,112)	463,725
Fiduciary trust net position, beginning of year	2,781,307	2,660,766	3,033,878	2,570,153
Fiduciary trust net position, end of year (b)	\$ 2,921,422	\$ 2,781,307	\$ 2,660,766	\$ 3,033,878
Net OPEB liability/(asset), ending (a) - (b)	\$ 6,739,535	\$ 7,336,937	\$ 6,762,488	\$ 6,014,644
Covered payroll	\$ 24,405,847	\$ 25,467,118	\$ 25,908,383	\$ 28,071,261
Plan fiduciary net position as a percentage of the total OPEB liability	30%	27%	28%	34%
Net OPEB liability/(asset) as a percentage of covered payroll	28%	29%	26%	21%

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024**

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 281,525	\$ 273,990	\$ 266,657
Interest	326,259	312,415	300,910
Changes of assumptions	1,153,021	-	-
Difference between expected and actual experience	1,240,838	-	-
Benefit payments	(328,221)	(390,664)	(375,638)
Net change in total OPEB liability	2,673,422	195,741	191,929
Total OPEB liability, beginning of year	5,461,001	5,265,260	5,073,331
Total OPEB liability, end of year (a)	\$ 8,134,423	\$ 5,461,001	\$ 5,265,260
Plan fiduciary net position			
Employer contributions	\$ 328,221	\$ 390,664	\$ 477,483
Investment income	64,765	95,452	127,038
Investment gains/(losses)	-	-	-
Administrative expense	(12,538)	(6,050)	(5,873)
Expected benefit payments	(328,221)	(390,664)	(375,638)
Other	-	-	-
Change in plan fiduciary net position	52,227	89,402	223,010
Fiduciary trust net position, beginning of year	2,517,926	2,428,524	2,205,514
Fiduciary trust net position, end of year (b)	\$ 2,570,153	\$ 2,517,926	\$ 2,428,524
Net OPEB liability/(asset), ending (a) - (b)	\$ 5,564,270	\$ 2,943,075	\$ 2,836,736
Covered payroll	\$ 33,908,442	\$ 27,539,742	\$ 29,255,902
Plan fiduciary net position as a percentage of the total OPEB liability	32%	46%	46%
Net OPEB liability/(asset) as a percentage of covered payroll	16%	11%	10%

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalSTRS					
District's proportion of the net pension liability	0.059%	0.058%	0.049%	0.057%	0.056%
District's proportionate share of the net pension liability	\$ 44,670,040	\$ 40,031,837	\$ 22,373,000	\$ 54,859,000	\$ 50,576,000
State's proportionate share of the net pension liability associated with the District	21,403,058	20,048,061	13,312,000	29,980,000	27,593,000
Total	\$ 66,073,098	\$ 60,079,898	\$ 35,685,000	\$ 84,839,000	\$ 78,169,000
District's covered-employee payroll	\$ 41,542,890	\$ 30,096,000	\$ 27,464,000	\$ 30,272,000	\$ 31,316,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	108%	133%	81%	181%	162%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
	Reporting Fiscal Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
CalPERS					
District's proportion of the net pension liability	0.083%	0.084%	0.082%	0.086%	0.086%
District's proportionate share of the net pension liability	\$ 29,897,070	\$ 28,818,074	\$ 16,756,000	\$ 26,499,000	\$ 25,081,000
District's covered-employee payroll	\$ 15,908,359	\$ 12,880,000	\$ 11,877,000	\$ 12,451,000	\$ 12,260,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	188%	224%	141%	213%	205%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS					
District's proportion of the net pension liability	0.056%	0.057%	0.061%	0.063%	0.062%
District's proportionate share of the net pension liability	\$ 51,920,000	\$ 52,447,000	\$ 49,682,000	\$ 42,453,000	\$ 36,231,000
State's proportionate share of the net pension liability associated with the District	29,727,000	31,027,000	28,286,000	22,439,000	24,437,000
Total	\$ 81,647,000	\$ 83,474,000	\$ 77,968,000	\$ 64,892,000	\$ 60,668,000
District's covered-employee payroll	\$ 30,914,000	\$ 30,057,000	\$ 30,613,000	\$ 29,250,000	\$ 29,489,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	168%	174%	162%	145%	123%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS					
District's proportion of the net pension liability	0.087%	0.090%	0.097%	0.098%	0.096%
District's proportionate share of the net pension liability	\$ 23,120,000	\$ 21,509,000	\$ 19,127,000	\$ 14,418,596	\$ 10,841,575
District's covered-employee payroll	\$ 11,672,000	\$ 11,488,000	\$ 11,619,000	\$ 10,733,000	\$ 10,024,000
District's proportionate share of the net pension liability as percentage of covered-employee payroll	198%	187%	165%	108%	108%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2024**

CalSTRS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 7,396,396	\$ 7,029,057	\$ 5,748,307	\$ 5,245,583	\$ 5,488,259
District's contributions in relation to the statutorily required contribution	7,396,396	7,029,057	5,748,307	5,245,583	5,488,259
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 38,724,586	\$ 41,542,890	\$ 30,096,000	\$ 27,464,000	\$ 30,272,000
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	19.10%	19.10%	18.13%

CalPERS	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 4,281,717	\$ 3,644,605	\$ 2,950,813	\$ 2,458,630	\$ 2,455,446
District's contributions in relation to the statutorily required contribution	4,281,717	3,644,605	2,950,813	2,458,630	2,455,446
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 16,048,415	\$ 15,908,359	\$ 12,880,000	\$ 11,877,000	\$ 12,451,000
District's contributions as a percentage of covered-employee payroll	26.68%	22.91%	22.91%	20.70%	19.72%

CalSTRS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 5,098,245	\$ 4,460,871	\$ 3,781,171	\$ 3,284,778	\$ 2,597,444
District's contributions in relation to the statutorily required contribution	5,098,245	4,460,871	3,781,171	3,284,778	2,597,444
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 31,316,000	\$ 30,914,000	\$ 30,057,000	\$ 30,613,000	\$ 29,250,000
District's contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%

CalPERS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,214,317	\$ 1,812,812	\$ 1,595,683	\$ 1,376,449	\$ 1,263,245
District's contributions in relation to the statutorily required contribution	2,214,317	1,812,812	1,595,683	1,376,449	1,263,245
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 12,260,000	\$ 11,672,000	\$ 11,488,000	\$ 11,619,000	\$ 10,733,000
District's contributions as a percentage of covered-employee payroll	18.06%	15.53%	13.89%	11.85%	11.77%

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios

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

- *Changes in Benefit Terms* – There were no changes in benefit terms.
- *Changes of Assumptions* – The investment rate of return or discount rate changed from 4.58% to 4.66% from the previous valuation.

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents ten years of information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – The required employer contribution rate changed from 25.37% to 26.68% since the previous valuation for CalPERS. There were no changes in benefit terms since the previous valuation for CalSTRS.
- *Changes of Assumptions* – The consumer price inflation rate changed from 2.50% to 2.30% since the previous valuation for CalPERS. There were no changes in assumptions since the previous valuation for CalSTRS.

Schedule of Contributions – Pensions

This schedule presents ten years of information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

**EL DORADO UNION HIGH SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2024**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in Cafeteria Special Revenue Fund presented in the Budgetary Comparison Schedule by major object code, as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
Cafeteria Special Revenue Fund			
Classified salaries	\$ 878,237	\$ 1,153,284	\$ 275,047
Employee benefits	\$ 453,344	\$ 458,011	\$ 4,667
Other outgo			
Transfers of indirect costs	\$ 91,066	\$ 92,039	\$ 973

The District did not incur an excess of expenditures over appropriations in General Fund presented in the Budgetary Comparison Schedule by major object code.

SUPPLEMENTARY INFORMATION

**EL DORADO UNION HIGH SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2024**

ORGANIZATION

El Dorado Union High School District is located in El Dorado County, California and operated four comprehensive high schools, two continuation schools, and one charter school. The District also offers Independent Study and Regional Occupation Programs. There have been no changes in the District's boundaries as of June 30, 2024.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2024, were as follows:

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

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through	
		Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed Through California Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13525	\$ 843,306
Total Child Nutrition Cluster			843,306
Forest Reserve Funds	10.665	10044	174,007
Total U.S. Department of Agriculture			1,017,313
U.S. Department of Justice:			
<i>Passed Through California Department of Education</i>			
School Violence Prevention Program	16.839	*	468,751
Total U.S. Department of Justice			468,751
U.S. Department of Education:			
<i>Passed Through El Dorado County Special Education Local Plan Agency</i>			
Special Education Cluster:			
IDEA Basic Local Assistance	84.027	13379	708,037
IDEA Mental Health	84.027A	15197	79,614
Total Special Education Cluster			787,651
<i>Passed Through California Department of Education</i>			
Education Stabilization Funds			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	433,257
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	335,638
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	23,461
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	710,348
Total Education Stabilization Funds			1,502,704
Title I Part A	84.010	14329	513,981
ESSA: School Improvement Funding for LEAs	84.010	15438	56,644
Carl D Perkins Career & Technical Education	84.048	14894	163,134
Title III, Immigrant Student Program	84.365	15146	7,415
Title III, English Learner Student Program	84.365	14346	15,751
Title II, Part A, Supporting Effective Instruction	84.367	14341	163,803
Title IV Student Support & Academic Enrichment	84.424	15396	44,491
Total U.S. Department of Education			3,255,574
U.S. Department of Health and Human Services:			
<i>Passed Through California Department of Education</i>			
Medi-Cal Administrative Activities (MAA)	93.778	10060	14,565
Total U.S. Department of Health and Human Services			14,565
Total Federal Financial Assistance			\$ 4,756,203

* Pass-through entity identifying number is not available

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
	Certification No. (DA3CE159)	Certification No. (1A7E2A01)
El Dorado Union High School District		
Regular ADA		
Ninth through twelfth	6,008.06	5,987.71
Total Regular ADA	6,008.06	5,987.71
Extended Year Special Education		
Ninth through twelfth	2.59	2.59
Total Extended Year Special Education	2.59	2.59
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through twelfth	26.47	26.28
Total Special Education, Nonpublic, Nonsectarian Schools	26.47	26.28
Extended Year Special Education - Nonpublic		
Ninth through twelfth	1.49	1.70
Total Extended Year Special Education - Nonpublic	1.49	1.70
Total District ADA	6,038.61	6,018.28
	Second Period Report	Annual Report
	Certification No. (A5C29722)	Certification No. (217CEA5B)
Pacific Crest Academy		
Regular ADA - Non Classroom Based		
Ninth through twelfth	97.92	97.34
Total Regular ADA	97.92	97.34
Total Charter School ADA	97.92	97.34

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024**

El Dorado Union High School District

Grade Level	Minutes Requirement	Actual Minutes	J-13A Approved Minutes	Total Adjusted Minutes	Traditional Calendar			Multitrack Calendar	Status
					Actual Day Offered	J-13A Approved Days	Total Adjusted Days		
Grade 9	64,800	64,928	382	65,310	179	1	180	N/A	Complied
Grade 10	64,800	64,928	382	65,310	179	1	180	N/A	Complied
Grade 11	64,800	64,928	382	65,310	179	1	180	N/A	Complied
Grade 12	64,800	64,928	382	65,310	179	1	180	N/A	Complied

Pacific Crest Academy

Grade Level	Traditional Calendar		Status
	Actual Day Offered	Multitrack Calendar	
Grade 9	180	N/A	Complied
Grade 10	180	N/A	Complied
Grade 11	180	N/A	Complied
Grade 12	180	N/A	Complied

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	\$ 102,621,919	\$ 109,953,889	\$ 107,926,089	\$ 102,380,086
Expenditures and Other Financing Uses	105,081,798	106,092,759	100,519,700	97,419,064
Changes in Fund Balance	(2,459,879)	3,861,130	7,406,389	4,961,022
Ending Fund Balance	\$ 24,201,070	\$ 26,660,949	\$ 22,799,819	\$ 15,393,430
Available Reserves*	\$ 10,516,914	\$ 16,894,196	\$ 6,402,446	\$ 12,497,713
Available Reserves as a Percentage of Outgo	10.0%	15.9%	6.4%	12.8%
Long-term Liabilities	\$ 156,136,385	\$ 160,370,194	\$ 158,597,837	\$ 131,046,531
Average Daily				
District ADA	5,861	6,039	6,138	6,214
Charter ADA	85	98	96	102
Total ADA at P-2	5,946	6,137	6,234	6,316

The General Fund balance has increased by \$11,267,519 over the past two years. The fiscal year 2024-25 budget projects a decrease of \$2,459,879, or 9.23%. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in the past three years and anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term liabilities have increased by \$29,323,663 over the past two years.

Total average daily attendance has decreased by 179 over the past two years. Additional decline of 191 ADA is anticipated during

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Cafeteria Special Revenue Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Capital Project for Blended Component Units Fund	Bond Interest and Redemption Fund
June 30, 2024 annual financial and budget report fund balances	\$ 24,370,612	\$ 2,713,842	\$ 6,348,495	\$ 633,163	\$ 11,067,140	\$ 2,263,105
Adjustments and reclassifications:						
Increase/(decrease) in total fund balances						
Investment in county treasury - Fund 71	694,370	-	-	-	-	-
Due to fiduciary funds	(694,370)	-	-	-	-	-
Fair market value adjustment	2,290,337	325,048	780,660	14,973	747,242	278,288
Total adjustments and reclassifications, net	2,290,337	325,048	780,660	14,973	747,242	278,288
June 30, 2024 audited financial statements fund balances	\$ 26,660,949	\$ 3,038,890	\$ 7,129,155	\$ 648,136	\$ 11,814,382	\$ 2,541,393

**EL DORADO UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2024**

Charter School	Charter Number	Included in Audit Report
Pacific Crest Academy	0366	Included in General Fund

**EL DORADO UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Non-Major Governmental Funds
	Student Activity Special Revenue Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	
ASSETS				
Cash and equivalents	\$ 531,496	\$ 648,136	\$ 2,541,393	\$ 3,721,025
Total Assets	<u>\$ 531,496</u>	<u>\$ 648,136</u>	<u>\$ 2,541,393</u>	<u>\$ 3,721,025</u>
FUND BALANCES				
Restricted	\$ 531,496	\$ 648,136	\$ 2,541,393	\$ 3,721,025
Total Fund Balances	<u>\$ 531,496</u>	<u>\$ 648,136</u>	<u>\$ 2,541,393</u>	<u>\$ 3,721,025</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	
		Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
REVENUES				
Other local sources	\$ 1,090,255	\$ 69,698	\$ 3,171,208	\$ 4,331,161
Total Revenues	<u>1,090,255</u>	<u>69,698</u>	<u>3,171,208</u>	<u>4,331,161</u>
EXPENDITURES				
Current				
Facilities acquisition and maintenance	-	1,496,689	-	1,496,689
Ancillary services	1,165,655	-	-	1,165,655
Debt service				
Principal	-	-	1,585,000	1,585,000
Interest and other	-	-	1,720,649	1,720,649
Total Expenditures	<u>1,165,655</u>	<u>1,496,689</u>	<u>3,305,649</u>	<u>5,967,993</u>
Excess/(Deficiency) of Revenues				
Over Expenditures	<u>(75,400)</u>	<u>(1,426,991)</u>	<u>(134,441)</u>	<u>(1,636,832)</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	45,414	45,414
Transfers out	-	-	(45,414)	(45,414)
Other Financing Sources/(Uses), Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>(75,400)</u>	<u>(1,426,991)</u>	<u>(134,441)</u>	<u>(1,636,832)</u>
Fund Balances - Beginning	606,896	2,075,127	2,675,834	5,357,857
Fund Balances - Ending	<u>\$ 531,496</u>	<u>\$ 648,136</u>	<u>\$ 2,541,393</u>	<u>\$ 3,721,025</u>

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

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

Schedule of Expenditures of Federal Awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the Federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

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

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

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the unaudited actual financial and annual budget report to the audited financial statements.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

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

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

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Dorado Union High School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 05, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California
December 05, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Dorado Union High School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 05, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

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

Report on Compliance

Opinion on State Compliance

We have audited El Dorado Union High School District's (the "District") compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's compliance with the requirements described in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Auditors’ Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Not applicable
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not applicable
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not applicable

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
N. Middle or Early College High Schools	Not applicable
O. K-3 Grade Span Adjustment	Not applicable
P. RESERVED	Not applicable
Q. Apprenticeship: Related and Supplemental Instruction	Not applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Not applicable
EZ. Transitional Kindergarten	Not applicable
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes - Classroom Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Finding #2024-001. Our opinion on state compliance is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding #2024-001, that we consider to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 05, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2024**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	<u>No</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>84.027, 84.027A</u>	<u>Special Education Cluster</u>
<u>84.425, 84.425U</u>	<u>Education Stabilization Funds</u>

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

STATE AWARDS

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

**EL DORADO UNION HIGH SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings for the year ended June 30, 2024.

**EL DORADO UNION HIGH SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE
50000

AB3627 FINDING TYPES
Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

FINDING #2024-001 – RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS (60000)

Criteria or Specific Requirement

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

Condition

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

Cause

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

Effect

Noncompliance with *Education Code*.

Fiscal Impact

The district calculated penalty equaled \$157,052.

Context

The District exceeded its allowable ratio by 1 FTE.

Repeat Finding

Yes

**EL DORADO UNION HIGH SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-001 – RATIO OF ADMINISTRATIVE EMPLOYEES TO TEACHERS (60000), continued

Recommendation

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

Views of Responsible Officials

The District added administrator positions to help mitigate the chronic discipline issues that have arisen since coming from back to in person instruction. The district starting in 24/25 reduced admin positions by 1.4 FTE.

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

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

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

Criteria

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

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

Condition

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

Context

We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

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

Cause

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

Recommendation

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

Corrective Action Plan and Views of Responsible Officials

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

Current Status

Implemented

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

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

Criteria

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

Condition

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

Context

We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

Noncompliance with *Education Code*.

Cause

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

Questioned Costs

None noted

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

Current Status

Implemented

**EL DORADO UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

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

Criteria

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

Condition

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

Context

The District exceeded its allowable ratio by 1 FTE.

Effect

Noncompliance with *Education Code*.

Cause

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

Questioned Costs

The district calculated penalty equaled \$152,126.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

Current Status

Not implemented. See Finding #2024-001.