

SISKIYOU UNION HIGH SCHOOL DISTRICT  
COUNTY OF SISKIYOU  
MOUNT SHASTA, CALIFORNIA  
  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2020

ROBERTSON & ASSOCIATES, CPAs  
A Professional Corporation

**SISKIYOU UNION HIGH SCHOOL DISTRICT  
ORGANIZATION  
JUNE 30, 2020**

The Siskiyou Union High School District (District) was established on November 15, 1892 and comprises an area located in Siskiyou County. There were no changes in the boundaries of the District during the current year. The District currently operates four high schools. The District also maintains two continuation high schools and two community day schools.

**BOARD OF TRUSTEES**

<u>Name</u>	<u>Area</u>	<u>Office</u>	<u>Term Expires</u>
Mr. Gregg Gunkel	2	President	December, 2020
Mr. Darin Quigley	1	Clerk	December, 2020
Ms. Lori Harch	2	Trustee	December, 2022
Ms. Sunny Greene	1	Trustee	December, 2020
Mr. Jeff Berryman	4	Trustee	December, 2022
Ms. Kerri King	3	Trustee	December, 2020
Ms. Jana Blevins	2	Trustee	December, 2022

<u>Area</u>	<u>Location</u>
1	Weed, CA 96094
2	Mount Shasta, CA 96067
3	Happy Camp, CA 96039
4	McCloud, CA 96057

**ADMINISTRATION**

<u>Name</u>	<u>Office</u>	<u>Tenure</u>
Mr. Mike Matheson	Superintendent / Principal	12 Years
Mr. Satyendra Shah	Assistant Superintendent/Principal	2 Years
Ms. Yolanda Sanchez	Principal	1 Year
Ms. Casey Chambers	Principal	2 Years
Ms. Sarah Applegate *	Chief Business Official	9 Years
Ms. Bonnie Rodgers	Human Resources & Administrative Coordinator	6 Years

\* Ms. Sarah Applegate resigned from the District June 30, 2021.

**ADDRESS OF DISTRICT OFFICE**

624 Everitt Memorial Highway  
Mount Shasta, CA 96067

SISKIYOU UNION HIGH SCHOOL DISTRICT  
JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Title Page	
Organization	
Table of Contents	
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 15
FINANCIAL SECTION	
Basic Financial Statements	
Government-Wide	
Statement of Net Position	16
Statement of Activities	17
Governmental Funds	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19 - 20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22 - 23
Notes to Financial Statements	24 - 59

SISKIYOU UNION HIGH SCHOOL DISTRICT  
JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION SECTION	
Budgetary Comparison Schedule - General Fund	60
Schedule of the District's Proportionate Share of the Net Pension Liability	61
Schedule of Contributions - Pension	62
Schedule of Changes in the Net OPEB Liability and Related Ratios	63
Schedule of Contributions - OPEB	64
Notes to Required Supplementary Information	65 - 66
SUPPLEMENTARY INFORMATION SECTION	
Other Governmental Funds Financial Statements	
Combining Balance Sheet	67 - 68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69 - 70
Schedule of Average Daily Attendance	71
Schedule of Instructional Time	72
Schedule of Financial Trends and Analysis	73
Reconciliation of Annual Financial and Budget Report (SACS) with Audited Financial Statements	74
Notes to Supplementary Information	75
OTHER INDEPENDENT AUDITOR'S REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	76 - 77
Independent Auditor's Report on State Compliance	78 - 80
FINDINGS AND RESPONSES SECTION	
Findings and Responses	81 - 83
Summary Schedule of Prior Audit Findings	84

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Siskiyou Union High School District  
Mount Shasta, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Siskiyou Union High School District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Siskiyou Union High School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, budgetary comparison schedule on page 60, schedule of the District's proportionate share of the net pension liability on page 61, the schedule of District contributions on page 62, schedule of changes in the net OPEB liability and related ratios on page 63, and schedule of contributions – OPEB on page 64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Siskiyou Union High School District's basic financial statements. The accompanying supplementary information includes the introductory section, the combining and individual non-major fund financial statements, and the other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 29, 2021 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 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 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.

*Robertson & Associates, CPAs*

Lakeport, California  
November 29, 2021

**Siskiyou Union High School District  
Management's Discussion and Analysis  
June 30, 2020**

**INTRODUCTION**

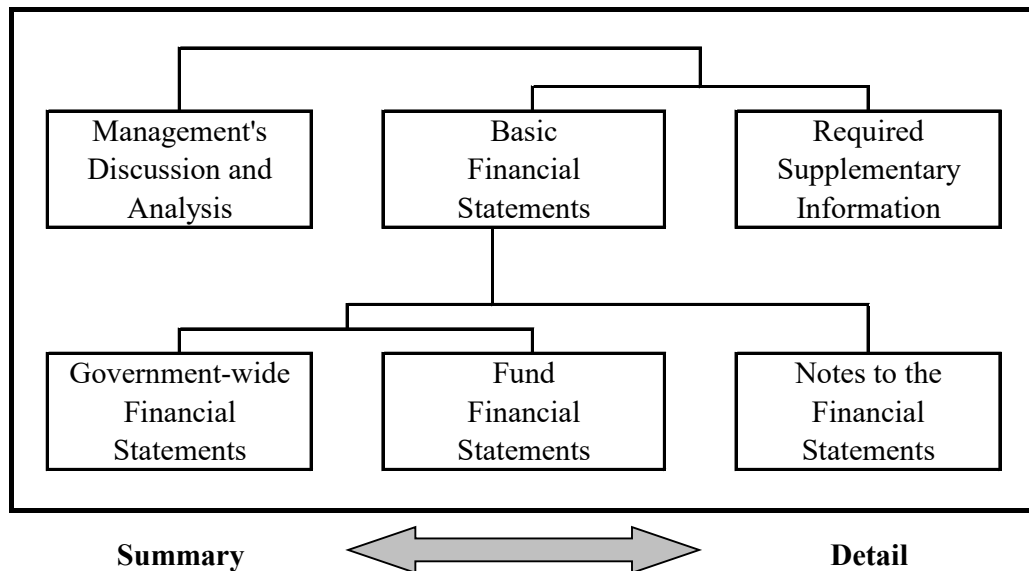
Our discussion and analysis of Siskiyou Union High School District (District's) financial performance provides an overview of the District's financial activities for the year ended June 30, 2020. It should be read in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- ❑ Total net position was \$4,917,529 at June 30, 2020. This was an increase of \$237,310 from the prior year.
- ❑ Overall revenues, were \$9,501,211, overall expenses were \$9,738,521.

**OVERVIEW OF FINANCIAL STATEMENTS**

**Components of the Financials Section**





This annual report consists of three parts – Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ❑ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District’s overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - **Governmental fund** statements tell how general government services were financed in the short term as well as what remains for future spending.

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

### **Government-Wide Statements**

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

The two government-wide statements report the District’s net position and how they have changed. Net position, the difference between assets and liabilities, is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position are indicators of whether its financial health is improving or deteriorating, respectively. The net position of the District has decreased by 5%.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, and changes in program funding by the Federal and State governments, and condition of facilities. The District’s average daily attendance has decreased by 12 ADA in the past year.

The government-wide statements of the District include all governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Revenue limit funding and federal and state grants finance most of these activities.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

### **Fund Financial Statements**

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

- Some funds are required to be established by State law and by bond covenants.
- The governing board establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

The District has one type of funds:

- Governmental funds – All 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 determine whether there are more or fewer financial resources than previously 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 following the governmental funds' statements that explains the relationship (or differences) between them.

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$8,598,777 as compared to the prior year's ending fund balance of \$6,136,317.

## FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

### Net Position

The District's combined net position was \$4,917,529 at June 30, 2020.

	Governmental Activities		
	2020	2019	Net Change
<b>ASSETS</b>			
Cash and Equivalents	\$ 7,769,280	\$ 5,692,487	\$ 2,076,793
Investments	913,926	903,343	10,583
Other Current Assets	969,488	954,120	15,368
Capital Assets,			
Net of Accumulated Depreciation	15,651,016	15,963,126	(312,110)
<b>TOTAL ASSETS</b>	<b>\$ 25,303,710</b>	<b>\$ 23,513,076</b>	<b>\$ 1,790,634</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow of Resources - Pensions	\$ 2,525,990	\$ 2,919,566	\$ (393,576)
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,525,990</b>	<b>\$ 2,919,566</b>	<b>\$ (393,576)</b>
<b>LIABILITIES</b>			
Current Liabilities	\$ 1,271,395	\$ 1,362,490	\$ (91,095)
Long-Term Liabilities	20,698,514	18,492,152	2,206,362
<b>TOTAL LIABILITIES</b>	<b>\$ 21,969,909</b>	<b>\$ 19,854,642</b>	<b>\$ 2,115,267</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Pensions	\$ 942,262	\$ 1,423,161	\$ (480,899)
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 942,262</b>	<b>\$ 1,423,161</b>	<b>\$ (480,899)</b>
<b>NET POSITION</b>			
Invested in Capital Assets,			
Net of Related Debt	\$ 3,658,904	\$ 5,667,415	\$ (2,008,511)
Restricted	5,093,547	2,634,116	2,459,431
Unrestricted	(3,834,922)	(3,146,692)	(688,230)
<b>TOTAL NET POSITION</b>	<b>\$ 4,917,529</b>	<b>\$ 5,154,839</b>	<b>\$ (237,310)</b>

## Changes in Net Position

	Governmental Activities		
	2020	2019	Net Change
REVENUES			
Program Revenues:			
Charges for Services	\$ 255,891	\$ 416,198	\$ (160,307)
Operating Grants and Contributions	1,123,409	1,573,150	(449,741)
General Revenues:			
Property Taxes	4,108,004	4,064,554	43,450
Unrestricted Federal and State Aid	2,879,138	3,089,242	(210,104)
Miscellaneous and Other Local	1,134,769	1,018,550	116,219
TOTAL REVENUES	9,501,211	10,161,694	(660,483)
EXPENSES			
Instruction	4,910,580	4,825,798	84,782
Instruction-Related Services	1,067,084	1,011,121	55,963
Pupil Services	726,673	785,914	(59,241)
General Administration	679,759	630,685	49,074
Plant Services	852,910	1,442,497	(589,587)
Facility Acquisition and Construction	32,654	1,900	30,754
Ancillary Services	413,933	506,228	(92,295)
Transfers Between Agencies	166,461	208,113	(41,652)
Interest on Long-Term Debt	722,568	573,079	149,489
Other Outgo	165,899	-	165,899
TOTAL EXPENSES	9,738,521	9,985,335	(246,814)
INCREASE (DECREASE) IN NET POSITION	(237,310)	176,359	(413,669)
NET POSITION - BEGINNING	5,154,839	4,978,480	176,359
NET POSITION - ENDING	\$ 4,917,529	\$ 5,154,839	\$ (237,310)

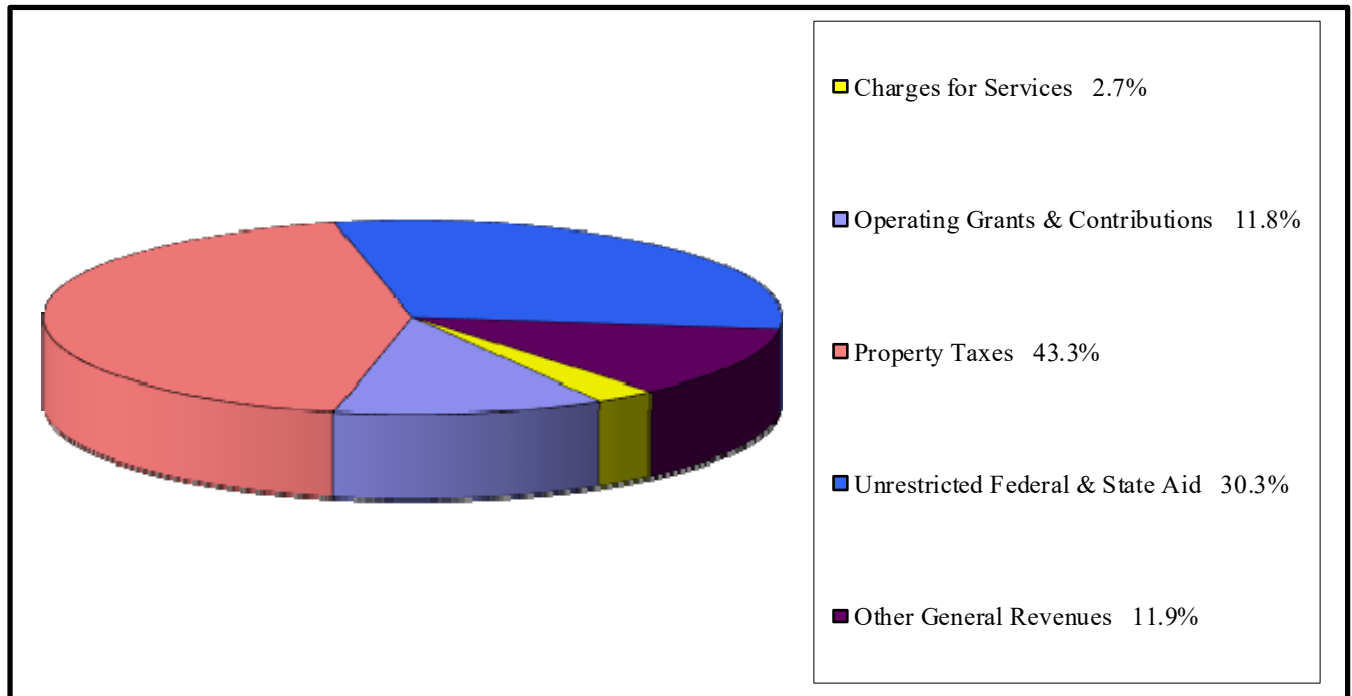
## Governmental Activities

Net cost is total cost less fees generated by the related activity. The net cost reflects amounts funded by charges for services, operating grants and capital grants and contributions.

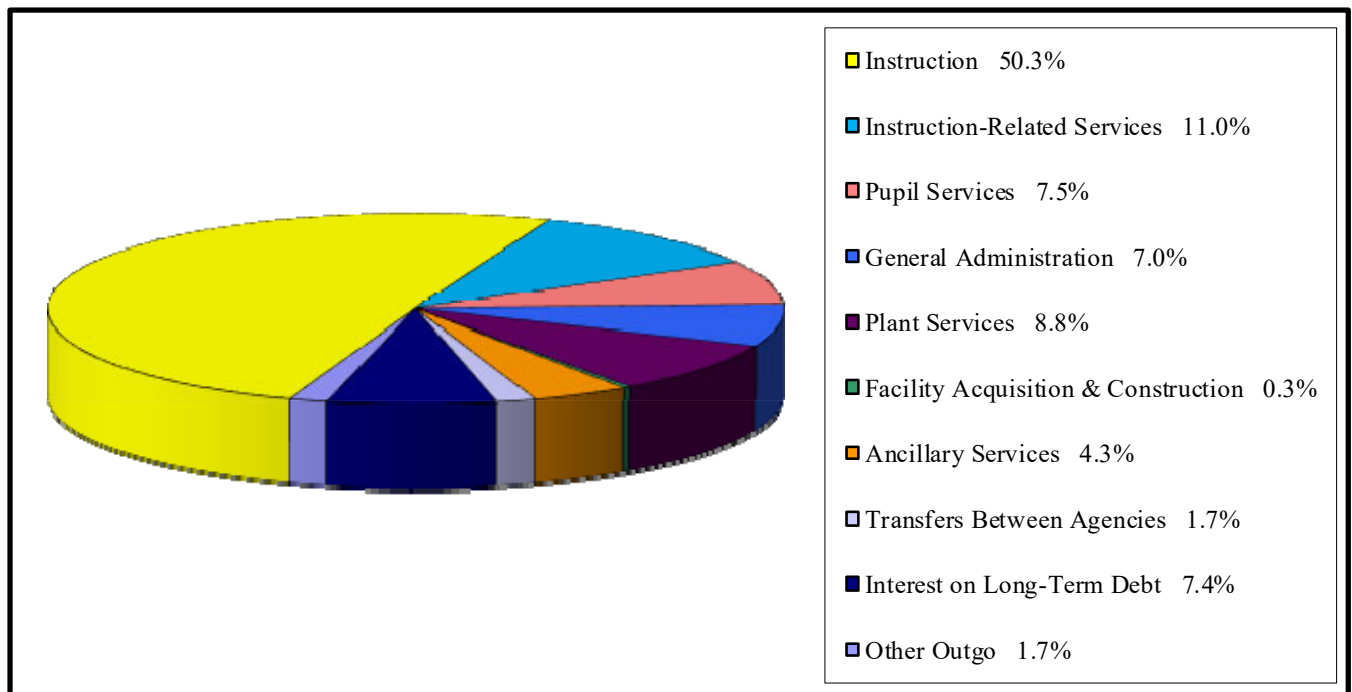
### Net Cost of Services

	Net Cost of Services		Net Change
	2020	2019	
NET COST OF SERVICES			
Instruction	\$ 4,185,323	\$ 3,532,027	\$ 653,296
Instruction-Related Services	936,012	874,923	61,089
Pupil Services	563,326	599,962	(36,636)
General Administration	606,043	579,251	26,792
Plant Services	839,181	1,422,620	(583,439)
Facility Acquisition and Construction	22,470	1,900	20,570
Ancillary Services	151,938	210,071	(58,133)
Transfers Between Agencies	166,461	208,113	(41,652)
Interest on Long-Term Debt	722,568	573,079	149,489
Other Outgo	165,899	(5,959)	171,858
TOTAL NET COSTS OF SERVICES	<u>\$ 8,359,221</u>	<u>\$ 7,995,987</u>	<u>\$ 363,234</u>

## 2019/2020 Summary of Revenues for Governmental Activities



## 2019/2020 Summary of Expenses for Governmental Activities



## Fund Balance Comparison

The District currently maintains the following funds:

FUNDS	Ending Fund Balance		Net Change
	2020	2019	
Governmental:			
General	\$ 3,815,937	\$ 3,704,759	\$ 111,178
Adult Education	70,239	51,726	18,513
Cafeteria Special Revenue	-	15,787	(15,787)
Deferred Maintenance	284,403	285,394	(991)
Building	2,003,514	-	2,003,514
Capital Facilities	681,416	615,588	65,828
State School Building Lease-Purchase	1	1	-
County School Facilities	3,456	3,396	60
Special Reserve Fund for Capital Outlay Projects	314,135	386,431	(72,296)
Bond Interest and Redemption	1,425,676	1,073,235	352,441
Total Governmental	8,598,777	6,136,317	2,462,460
TOTAL FUNDS	\$ 8,598,777	\$ 6,136,317	\$ 2,462,460

## General Fund

The General Fund has an increase over prior year due to site budget carryovers and one time revenue allocations for the next fiscal year.

## Other Governmental Funds

Other governmental funds had the following activity and changes for the year ended June 30, 2020:

The Adult Education Fund decrease is due to expansion of program with salary and benefits, supply purchases, and site improvements.

The Cafeteria Special Revenue Fund has no ending fund balance due to encroachment from the general fund for operations of nutrition programs. Revenues received in this fund are from Federal, State, and Local nutrition served to students. As well as Interfund Transfers from the General Fund. Expenses include salary & benefits, food & supplies, and contract services with elementary schools.

The Deferred Maintenance Fund decrease is due to site facility projects, including, the Mount Shasta High School Press Box. Funding for this fund is from the District LCFF funding and insurance repair reimbursements.

The Building Fund increased because of the refinancing of bonds related to the November, 2008 passage of Measure Q and the subsequent Series C further sale of bonds allowed by Measure Q. The Series C bond sale generated \$2,110,000. Payments out of this fund were related to bond process related expenses.

The Capital Facilities Fund increased from developer fees collected less facility consultant fees.

The State School Building Lease-Purchase Fund balance is from interest earned.

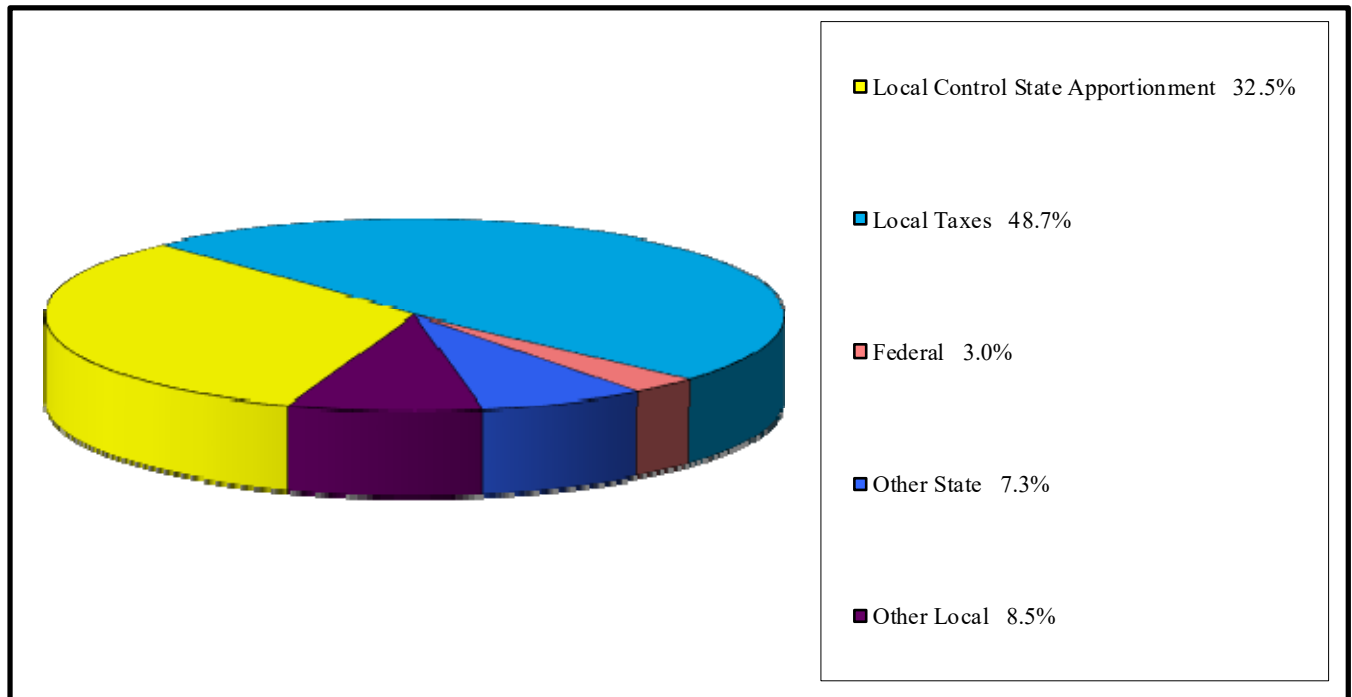
The County School Facilities Fund increase is from interest earned.

The Special Reserve Fund for Capital Outlay Projects decreased by \$72,296 for transfer to the General Fund for prior year negotiated compensation settlement.

The Bond Interest and Redemption Fund increase is due to property taxes collected at the county and the refinancing of Measure Q bonds.

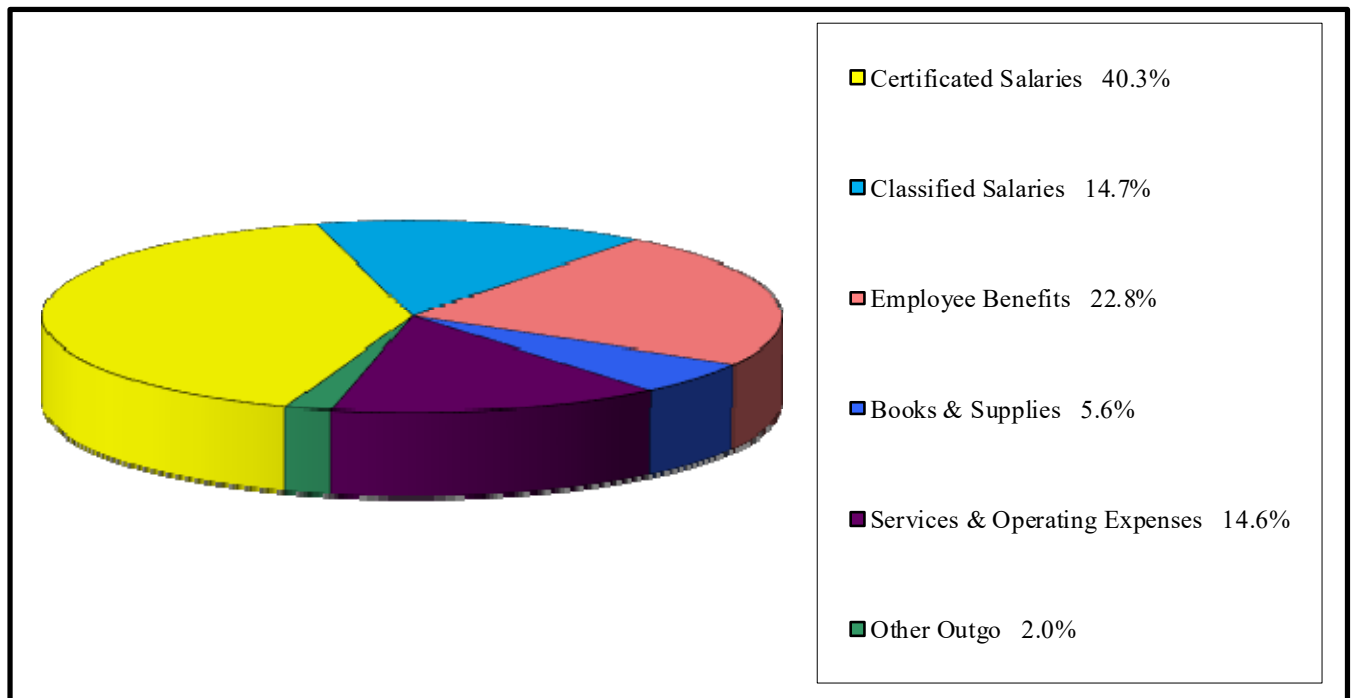
The following charts graphically depict revenues and expenditures, both by major object as well as by function.

### 2019/2020 General Fund Revenues

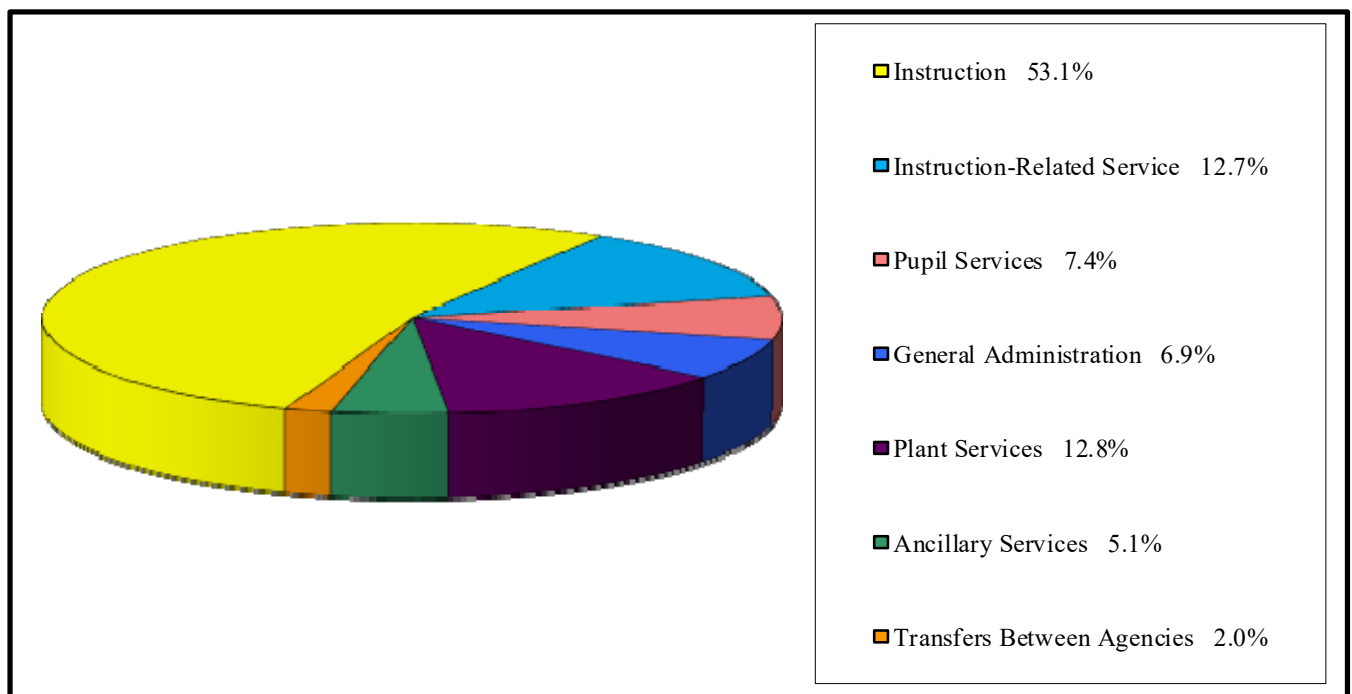




### 2019/2020 General Fund Expenditures by Object



### 2019/2020 General Fund Expenditures by Function



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2020, the District had \$15,651,016 invested, net of accumulated depreciation, in capital assets. Current year depreciation expense is \$566,580. The Mt. Shasta High School Press Box and CTE Canopy are still construction in progress. The District has completed many small building and improvement projects such as: Happy Camp High School baseball field drainage, McCloud High School technology cabling and windows, Mt. Shasta High School portable roof, and Weed High School interior doors, framing, painting, and breezeway roof. The District Equipment increased for the purchases of a Districtwide Scissor Lift, McCloud High School Lawnmower/Plow and Weed High School Timesaver.

	Governmental Activities		
	2020	2019	Net Change
<b>CAPITAL ASSETS</b>			
Land	\$ 73,459	\$ 73,459	\$ -
Construction In Progress	-	188,052	(188,052)
Land Improvements	4,580,410	4,343,406	237,004
Buildings And Improvements	21,454,236	21,248,718	205,518
Equipment	1,813,765	1,813,765	-
Accumulated Depreciation	(12,270,854)	(11,704,274)	(566,580)
<b>NET CAPITAL ASSETS</b>	<u>\$ 15,651,016</u>	<u>\$ 15,963,126</u>	<u>\$ (312,110)</u>

### Long-Term Debt

At June 30, 2020, the District had \$20,698,514 in long-term debt.

	Governmental Activities		
	2020	2019	Net Change
<b>LONG-TERM DEBT</b>			
General Obligation Bonds Payable	\$ 11,992,112	\$ 10,269,697	\$ 1,722,415
General bond premium (Discount)	1,025,755	249,806	775,949
Net Pension Liability	7,181,319	7,339,983	(158,664)
Net OPEB Obligation	495,644	623,389	(127,745)
Compensated Absences	3,684	9,277	(5,593)
<b>TOTAL LONG-TERM DEBT</b>	<u>\$ 20,698,514</u>	<u>\$ 18,492,152</u>	<u>\$ 2,206,362</u>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference in the original versus final budget amounts and actual versus budget amounts is primarily due to the following:

- ❑ Awards for the K12 Strong Workforce Grant came into local revenues at EOY.
- ❑ CalSTRS and CalPERS employer contribution rates.
- ❑ Allocations for site budgets didn't get fully spent within the budgeted expenses.

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The final amendment to the budget was approved November 13, 2019. A schedule of the District's General Fund original and final budget amounts compared with actual revenues and expenditures is provided with the basic financial statements in the audited financial report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health:

- ❑ CalSTRS and CalPERS employer contribution rates.
- ❑ LCFF is fully funded with only continued changes to COLA for increase to revenues.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors 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, contact Mike Matheson, 624 Everitt Memorial Highway, Mount Shasta, CA 96067, phone 530-926-3006.

## FINANCIAL SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 7,769,280
Investments	913,926
Accounts receivable	821,476
Deferred charges	148,012
Capital assets:	
Non-depreciable	73,459
Depreciable, net of accumulated depreciation	<u>15,577,557</u>
Total Assets	<u><u>\$ 25,303,710</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - Pensions	\$ 2,472,860
Deferred outflows of resources - OPEB	<u>53,130</u>
Total Deferred Outflows of Resources	<u><u>\$ 2,525,990</u></u>
LIABILITIES	
Accounts payable	\$ 690,710
Accrued interest payable	105,039
Unearned revenue	475,646
Long-term debt:	
Due within one year	135,336
Due after one year	<u>20,563,178</u>
Total Liabilities	<u><u>\$ 21,969,909</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - Pensions	\$ 887,412
Deferred inflows of resources - OPEB	<u>54,850</u>
Total Deferred Inflows of Resources	<u><u>\$ 942,262</u></u>
NET POSITION	
Net Investment in capital assets	\$ 3,658,904
Restricted for:	
Capital projects	2,688,387
Debt service	1,425,676
Educational programs	560,109
Other purposes (expendable)	419,375
Unrestricted	<u>(3,834,922)</u>
Total Net Position	<u><u>\$ 4,917,529</u></u>

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

SISKIYOU UNION HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Change in
			Contributions	Net Position
				Governmental
				Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 4,910,580	\$ 85,025	\$ 640,232	\$ (4,185,323)
Instruction-related services:				
Supervision of instruction	9,175	-	-	(9,175)
Instructional library, media and technology	168,546	245	-	(168,301)
School site administration	889,363	85,890	44,937	(758,536)
Pupil services:				
Home-to-school transportation	189,325	-	-	(189,325)
Food services	96,228	4,638	35,447	(56,143)
All other pupil services	441,120	-	123,262	(317,858)
General administration:				
Data processing	47,249	-	-	(47,249)
All other general administration	632,510	12,791	60,925	(558,794)
Plant services	852,910	-	13,729	(839,181)
Facility acquisition and construction	32,654	-	10,184	(22,470)
Ancillary services	413,933	67,302	194,693	(151,938)
Transfers between agencies	166,461	-	-	(166,461)
Interest on long-term debt	722,568	-	-	(722,568)
Other outgo	165,899	-	-	(165,899)
Total Governmental Activities	<u>\$ 9,738,521</u>	<u>\$ 255,891</u>	<u>\$ 1,123,409</u>	<u>(8,359,221)</u>
GENERAL REVENUES				
Taxes and subventions:				
Property taxes levied for general purposes				4,108,004
Federal and state aid not restricted to specific purposes				2,879,138
Interest and investment earnings				237,986
Interagency revenues				88,200
Miscellaneous				808,583
Total General Revenues				<u>8,121,911</u>
Change in Net Position				(237,310)
Net Position - Beginning				<u>5,154,839</u>
Net Position - Ending				<u>\$ 4,917,529</u>

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

SISKIYOU UNION HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 3,011,327	\$ 2,003,000	\$ 1,420,773	\$ 1,334,180	\$ 7,769,280
Investments	913,926	-	-	-	913,926
Accounts receivable	799,344	514	4,903	16,715	821,476
Due from other funds	27,300	-	-	85,531	112,831
Total Assets	<u>\$ 4,751,897</u>	<u>\$ 2,003,514</u>	<u>\$ 1,425,676</u>	<u>\$ 1,436,426</u>	<u>\$ 9,617,513</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 374,783	\$ -	\$ -	\$ 55,476	\$ 430,259
Due to other funds	85,531	-	-	27,300	112,831
Unearned Revenue	475,646	-	-	-	475,646
Total Liabilities	<u>935,960</u>	<u>-</u>	<u>-</u>	<u>82,776</u>	<u>1,018,736</u>
<b>FUND BALANCES</b>					
Non spendable					
Cash in revolving fund	3,500	-	-	-	3,500
Restricted	489,870	-	-	748,487	1,238,357
Committed					
Other commitments	2,984,710	2,003,514	-	605,162	5,593,386
Assigned					
Other assignments	-	-	1,425,676	1	1,425,677
Unassigned					
Reserve for economic uncertainties	328,653	-	-	-	328,653
Unassigned amount	9,204	-	-	-	9,204
Total Fund Balance	<u>3,815,937</u>	<u>2,003,514</u>	<u>1,425,676</u>	<u>1,353,650</u>	<u>8,598,777</u>
Total Liabilities and Fund Balance	<u>\$ 4,751,897</u>	<u>\$ 2,003,514</u>	<u>\$ 1,425,676</u>	<u>\$ 1,436,426</u>	<u>\$ 9,617,513</u>

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

SISKIYOU UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Detail</u>	<u>Total</u>
Total fund balances - governmental funds		\$ 8,598,777
Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in governmental funds as follows:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Historical cost of capital assets	\$ 27,921,870	
Accumulated depreciation	<u>(12,270,854)</u>	
		15,651,016
Debt issue costs are recorded as expenditures in the funds, in the period they are incurred. In the government-wide statements, debt issue costs are amortized over the life of the debt. The unamortized debt issue costs included in deferred charges on the Statement of Net Position.		
		148,012
Interest on long-term debt is not reported in the governmental funds 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 liabilities for the unmatured interest owing at the end of the period are included on the Statement of Net Position.		
		(105,039)
Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		
		728,831
Contributions to OPEB plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		
		48,729
Long-term liabilities are not due and payable in the current and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, discounts, and deferred charges, are included in the Statement of Net Position.		
General obligation bonds payable	(11,992,112)	
General bond premium (Discount)	(1,025,755)	
Net pension liability	(7,181,319)	
Net OPEB Obligation	(495,644)	
Early retirement plan	(260,451)	
Compensated absences	<u>(3,684)</u>	
		(20,958,965)

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



SISKIYOU UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

(Continued)	<u>Detail</u>	<u>Total</u>
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.		
Deferred outflows of resources related to pensions		1,744,029
Deferred inflows of resources relating to pensions		(887,412)
Deferred outflows and inflows of resources relating to OPEB:		
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 pension are reported.		
Deferred outflows of resources related to OPEB		4,401
Deferred inflows of resources relating to OPEB		(54,850)
Total net position, governmental activities		<u>\$ 4,917,529</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources:					
State apportionments	\$ 2,696,450	\$ -	\$ -	\$ -	\$ 2,696,450
Local sources	4,028,004	-	-	80,000	4,108,004
Federal	250,591	-	-	32,885	283,476
Other state	606,222	-	-	7,403	613,625
Other local	708,056	514	844,374	246,712	1,799,656
Total Revenues	8,289,323	514	844,374	367,000	9,501,211
EXPENDITURES					
Instruction	4,360,761	-	-	25,496	4,386,257
Instruction related services:					
Supervision of instruction	9,175	-	-	-	9,175
Instructional library, media, and technology	173,651	-	-	207	173,858
School site administration	860,165	-	-	75,799	935,964
Pupil services:					
Home-to-school transportation	140,974	-	-	-	140,974
Food services	190	-	-	96,402	96,592
All other pupil services	464,643	-	-	-	464,643
General administration:					
Data processing	50,352	-	-	-	50,352
All other general administration	514,350	107,000	-	33,316	654,666
Plant services	1,054,201	-	-	43,596	1,097,797
Facility acquisition and construction	-	-	-	58,682	58,682
Ancillary services	421,397	-	-	-	421,397
Transfers between agencies	166,461	-	-	-	166,461
Principal on long-term debt	-	-	321,679	-	321,679
Interest on long-term debt	-	-	428,201	-	428,201
Other outgo	-	-	165,899	-	165,899
Total Expenditures	8,216,320	107,000	915,779	333,498	9,572,597
Excess (deficiency) of revenues over (under) expenditures	73,003	(106,486)	(71,405)	33,502	(71,386)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	78,706	-	-	40,531	119,237
Operating transfers out	(40,531)	-	-	(78,706)	(119,237)
All other financing sources	-	2,110,000	5,423,846	-	7,533,846
All other financing uses	-	-	(5,000,000)	-	(5,000,000)
Total Other Financing Sources (Uses)	38,175	2,110,000	423,846	(38,175)	2,533,846
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	111,178	2,003,514	352,441	(4,673)	2,462,460
Fund Balance - Beginning	3,704,759	-	1,073,235	1,358,323	6,136,317
Fund Balance - Ending	\$ 3,815,937	\$ 2,003,514	\$ 1,425,676	\$ 1,353,650	\$ 8,598,777

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

SISKIYOU 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, 2020

	<u>Detail</u>	<u>Total</u>
Total change in fund balances - governmental funds		\$ 2,462,460
Amounts reported for governmental activities differ from amounts reported in governmental funds as follows:		
Capital Outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 254,470	
Depreciation expense	<u>(566,580)</u>	
		(312,110)
Bond issuance costs are recorded as an expenditure in the governmental fund financials. In the government-wide financials they are recorded as deferred charges and amortized as interest expense over the life of the bond.		
Interest expense		(6,331)
Proceeds from debt provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net position. This amount is the net effect of proceeds and issuance costs.		(6,745,000)
Accreted interest on capital appreciation bonds is accrued as long-term debt in the government wide financials, increasing interest expense.		(341,401)
Repayment of the accreted interest on capital appreciation bonds is reported as an expenditure in Governmental funds. However the repayment reduces the long-term liabilities in the statement of net position.		68,321
Debt issued at a premium or at a discount is recognized as an Other Financing Source or Other Financing Use in the period it is incurred in the governmental funds. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt.		
Premium on new debt	(788,846)	
Amortization Expense	<u>12,897</u>	
		(775,949)
Repayment of the principal of long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds payable		5,295,665

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

SISKIYOU 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, 2020

(Continued)

	<u>Detail</u>	<u>Total</u>
Increases in the liability for early retirement incentives are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. Decreases to the liability are reported as expenditures in governmental funds, however, the payments reduce the long-term liability in the statement of net position. This is the amount by which payments for early retirement incentives exceeds additions.		
Increases to early retirement incentives		(260,451)
Increases in the liability for compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, compensated absences are recognized as expenses when earned.		
Decreases to compensated absences		5,593
Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		728,831
Contributions to OPEB plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		48,729
Changes in the net pension liability, deferred outflows of and deferred inflows of resources are reported as pension expenses in the statement of activities.		(548,815)
Changes in the net OPEB liability, deferred outflows of resources and deferred inflows of resources are reported as OPEB expenses in the statement of activities.		144,987
Unmatured interest on long-term debt is recognized in governmental funds in the period when it is due. However, in the statement of activities, unmaturred interest on long-term debt is accrued at year end.		(1,839)
Change in net position of governmental activities		<u>\$ (237,310)</u>

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

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES**

**A.   General Statement**

The Siskiyou Union High School District (District) is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a seven member Board of Trustees (Board) elected by registered voters of the District, which comprises an area in Siskiyou County. The District was established in 1892 and serves students in grades nine through twelve.

**B.   Accounting Policies**

The District prepares its basic financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

**C.   Reporting Entity**

The Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. The District is therefore a financial reporting entity as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 39, *Determining Whether Certain Organizations Are Component Units*.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to: whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's general-purpose financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

**D.   Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2020, that have effective dates that may impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

Statement No. 87, *Leases*

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement intends to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

Statement No. 91, *Conduit Debt Obligations*

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Statement No. 92, *Omnibus 2020*

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic.

Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

The District will analyze the impact of these new Statements prior to the effective dates listed above. The provisions of these Statements are generally required to be applied retroactively for all periods presented. Early application, if allowable, was not adopted.

**E. Basis of Presentation**

**1. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2.   Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses, as appropriate.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Non-major funds by category are summarized in to a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's accounts are organized into major and non-major governmental funds as follows:

**a.   Major Governmental Funds**

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Building Fund is used to account for the acquisition of major governmental capital facilities and buildings funded primarily with proceeds from the sale of bonds.

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest payments and redemption of principal of the District's general obligation bond issuance as discussed later in the Notes to Financial Statements. *Debt Service Funds* are used to account for the accumulation of resources for, and the debt service payments related to, the District's debt issuances.



SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.**     SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Non-major Governmental Funds

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains the following non-major special revenue fund:

The *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.

The *Cafeteria Fund* is used to account for revenues and expenditures associated with the District's food service program.

The Deferred Maintenance Fund is used for the purpose of major repair or replacement of the District's facilities.

*Capital Projects Funds* are used to account for the acquisition and construction of all major governmental capital assets. The District maintains the following non-major capital projects funds:

The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

The *County School Facilities Fund* is used to account for State apportionments provided from State School Facility Program funding and the expenditures relating to the acquisition, construction, or renovation of approved capital facilities projects.

The *Special Reserve Fund for Capital Outlay Projects* is used to account for the financial resources used for the acquisition or construction of major capital projects.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**F.   Basis of Accounting**

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**1.   Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectable within the current period or with 45, 60, 90 days after year-end, depending on the revenue source. However, to achieve comparability of reporting among California Districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state aid apportionments, the California Department of Education has defined available as collectible within one year.

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**2.   Unearned Revenue**

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. Expenses/Expenditures

Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

G. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated revenue and expenditures. The original and final revised budgets for the General Fund and Deferred Maintenance Fund are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

H. 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. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated on June 30.

I. Assets, Liabilities, and Equity

1. Cash, Equivalents and Investments

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

2. Receivables

Accounts receivable in governmental fund types consist primarily of receivables from federal, state and local governments for various programs.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.   Capital Assets**

Capital assets are those purchased or acquired with an original cost of \$20,000 or more for equipment and \$50,000 or more for buildings and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis and an annual convention over the following estimated useful lives:

Land improvements	20 - 50
Buildings and improvements	25 - 50
Equipment	5 - 20
Vehicles	8 - 20

**4.   Accrued Liabilities and Long-Term Obligations**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources.

**5.   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. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to     June 30, 2019

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES** (Continued)

6. Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurment Period	June 30, 2019 to June 30, 2020

7. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.     SIGNIFICANT ACCOUNTING POLICIES (Continued)**

9. Fund Balance Classifications

The governmental fund financial statements present fund balances based on a classification hierarchy that depicts the extent to which the District is bound by spending constraints imposed on the use of its resources. The classifications used in the governmental fund financial statements are as follows:

a. Nonspendable Fund Balance

The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory and prepaid items. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact.

b. Restricted Fund Balance

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

c. Committed Fund Balance

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the highest level of decision-making authority. 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.

d. Assigned Fund Balance

The assigned fund balance classification reflects amounts that the District intends to be used for specific purposes. Assignments may be established either by the Board of Trustees or by a designee of the Board of Trustees, and are subject to neither the restricted nor committed levels of constraint.

Constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the highest level of decision-making authority. The action may be delegated to another body or official.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.**     SIGNIFICANT ACCOUNTING POLICIES (Continued)

e.   Unassigned Fund Balance and Minimum Fund Balance Policy

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

The Reserve for Economic Uncertainties maintained by the District pursuant to the Criteria and Standards for fiscal solvency adopted by the State Board of Education is a stabilization-like arrangement of the "minimum fund balance policy" type. The Reserve for Economic Uncertainties does not meet the criteria to be reported as either restricted or committed because it is not an externally enforceable legal requirement, and because even where the Reserve for Economic Uncertainties is established by formal action of the District's highest level of decision-making authority, the circumstances in which the Reserve for Economic Uncertainties might be spent are by their nature neither specific nor non-routine. For this reason, the Reserve for Economic Uncertainties is reported as unassigned fund balance.

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Due to the recently enacted cap on school district reserves of double the state required minimum for economic uncertainties (or 8% for Siskiyou Union High School District), the District has established this would not be sufficient reserves to protect the District from volatility in funding or expenditures, managing cash flow, addressing unexpected costs, and reducing costs of borrowing. The District has identified 4% will be District match, 2% for increase in CalSTRS and CalPERS employer contribution rates, and up to 5% for unanticipated/cash flow, and designated one time revenues for continuing LCAP goals/activities.

The District's policy regarding the order in which spendable fund balances are spent when more than one classification is available for a specific purpose is that they are spent in restricted, committed, assigned, and then unassigned order.

**10.**   Local Control Funding Formula / Property Taxes

The District's local control funding formula revenue is received from a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1.**     SIGNIFICANT ACCOUNTING POLICIES (Continued)

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula sources by the District.

The California Department of Education reduces the District's entitlement by the District local property tax revenue. The balance is paid from the state General Fund, and is known as the State Apportionment.

The District's Base Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

**J.**   Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or 3 inputs.

Cash in County Treasury pools are measured at fair value using level 1 inputs. Fair market value adjustments have not been recorded as they are determined immaterial to the District.

**K.**   Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.



SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 2.     CASH, EQUIVALENTS AND INVESTMENTS**

Cash, Equivalents and Investments at June 30, 2020 are classified in the accompanying financial statements as follows:

	<u>Governmental Activities</u>
Cash and Equivalents	
Pooled Funds:	
Cash in county treasury	\$     7,490,590
Deposits:	
Cash on hand and in banks	275,190
Cash in revolving fund	<u>3,500</u>
Total Cash and Equivalents	<u><u>\$     7,769,280</u></u>
Investments:	
Local Agency Investment Fund	<u>\$     913,926</u>
Total Investments	<u><u>\$     913,926</u></u>

**A.   Cash in County Treasury**

In accordance with *Education Code* 41001, the District maintains substantially all of its cash in the Siskiyou County Treasury (the Treasury). The Treasury pools these funds with those of other districts in the County and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by *California Government Code* Section 53648 et seq. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by *Government Code* Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

**B.   Investments Authorized by the District's Investment Policy**

The table below identifies the investment types authorized for the District by the *California Government Code* Section 53601. This table also identifies certain provisions of the *California Government Code* that address interest rate risk, credit risk, and concentration of credit risk.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS (Continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations			
CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper - Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an
Commercial Paper - Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Power Authority Pools	N/A	None	Multiple
Local Agency Investment Funds (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

**C. 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 values to changes in market interest rates. As of June 30, 2020, the weighted average maturity of the investments contained in the Treasury investment pool was unavailable.

**D. Credit Risk**

Generally, credit risk, is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 2.     CASH, EQUIVALENTS AND INVESTMENTS** (Continued)

**E. 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 formal policy for custodial credit risk for deposits.

Cash balances in banks and revolving funds are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2020, the District's bank balances were fully insured.

**F. Custodial Credit Risk – Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The *California Government Code* and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

**NOTE 3.     INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government wide financial statements.

**A. Interfund Receivables/Payables (Due From/Due To)**

As of June 30, 2020, interfund receivables and payables were as follows:

<u>Due from</u>	<u>Due to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Adult Education Fund	\$ 16,384	9514 Clearing.
General Fund	Cafeteria Fund	10,916	9514 Clearing.
Cafeteria Fund	General Fund	5,531	Cafeteria Expense/Cash Flow encroachment.
Deferred Maintenance Fund	General Fund	80,000	GASB 54 Resolution.
Total		<u>\$ 112,831</u>	

All interfund receivables and payables are scheduled to be paid within one year.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 3.     INTERFUND TRANSACTIONS** (Continued)

**B. Interfund Transfers**

Permanent reallocations of resources between funds of the reporting District are classified as interfund transfers. As of June 30, 2020, interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
Cafeteria Fund	General Fund	\$ 40,531	Cafeteria Expense/Cash Flow encroachment.
General Fund	Special Reserve Fund for Capital Outlay Projects	78,706	2017/2018 Negotiation Settlement Salaries & Benefits.
Total		<u>\$ 119,237</u>	

**NOTE 4.     CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2020, are shown below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
Capital Assets Not Being Depreciated:				
Land	\$ 73,459	\$ -	\$ -	\$ 73,459
Construction in progress	188,052	-	(188,052)	-
Total Capital Assets Not Being Depreciated	<u>261,511</u>	<u>-</u>	<u>(188,052)</u>	<u>73,459</u>
Capital Assets Being Depreciated:				
Land improvements	4,343,406	237,004	-	4,580,410
Buildings and improvements	21,248,718	205,518	-	21,454,236
Equipment	1,813,765	-	-	1,813,765
Total Capital Assets Being Depreciated	<u>27,405,889</u>	<u>442,522</u>	<u>-</u>	<u>27,848,411</u>
Less Accumulated Depreciation for:				
Land improvements	(1,392,853)	(131,173)	-	(1,524,026)
Buildings and improvements	(9,036,242)	(367,950)	-	(9,404,192)
Equipment	(1,275,179)	(67,457)	-	(1,342,636)
Total Accumulated Depreciation	<u>(11,704,274)</u>	<u>(566,580)</u>	<u>-</u>	<u>(12,270,854)</u>
Total Capital Assets Being Depreciated, Net	<u>15,701,615</u>	<u>(124,058)</u>	<u>-</u>	<u>15,577,557</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 15,963,126</u>	<u>\$ (124,058)</u>	<u>\$ (188,052)</u>	<u>\$ 15,651,016</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 4.     CAPITAL ASSETS** (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	\$       492,705
Instruction related services:	
School site administration	6,814
Pupil services:	
Home-to-school transportation	52,459
Food services	1,278
Plant services	13,324
	<hr/>
Total Depreciation Expense	<u><u>\$       566,580</u></u>

**NOTE 5.     GENERAL OBLIGATION BONDS**

On November 4, 2008, the District's registered voters authorized, by more than 55% approval, the District to issue general obligation bonds not to exceed \$12,500,000 in principle amounts; known as the Election of 2008. In April 2009, the District issued Series 2009 of the Election of 2008 in the amounts of \$5,405,000 in current interest bonds and \$594,341 in capital appreciation bonds. On November 18, 2009, the District issued Series 2009B of the Election of 2008 in the amount of \$3,499,889 in capital appreciation bonds. On June 25th, the District issued Series 2009C of the Election of 2008 in the amount of \$2,110,000 in current interest bonds. Also, on June 25th the District refunded outstanding Series 2009A current interest bonds with 2020 Refunding Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$124,838. The District obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,485,856. The proceeds are to be used to finance new construction and additions to modernization of school facilities for the District.

The outstanding bonded debt of District as of June 30, 2020 is as follows:

General Obligation Bonds	Date of Issuance	Interest Rate %	Maturity Date August 1	Amount of Original Issue	Outstanding Principal and Accreted Interest June 30, 2019	Current Year Additions	Accreted Interest Current Year	Redeemed Current Year	Balance June 30, 2020
2009A Series Bonds	2009	4.00 - 4.75	2033	\$ 5,405,000	\$ 5,210,000	\$ -	\$ -	\$ (5,210,000)	\$ -
2009B Capital Appreciation	2009	2.55 - 6.82	2049	3,499,889	2,707,313	-	-	(111,679)	2,595,634
Accreted Interest					2,378,398	-	341,401	(68,321)	2,651,478
2009C Series Bonds	2020	2.63 - 4.00	2049	2,110,000	-	2,110,000	-	-	2,110,000
2020 Refunding Bonds	2020	3.00 - 4.00	2033	4,635,000	-	4,635,000	-	-	4,635,000
Totals					<u>\$ 10,295,711</u>	<u>\$ 6,745,000</u>	<u>\$ 341,401</u>	<u>\$ (5,390,000)</u>	<u>\$ 11,992,112</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 5.      GENERAL OBLIGATION BONDS (Continued)**

<b>General Obligation Bonds</b>	Outstanding Principal and Accreted Interest June 30, 2019	Current Year Additions	Accreted Interest Current Year	Redeemed Current Year	Balance June 30, 2020
2009A Series Bonds Premium/(Discount)	\$ (26,014)	\$ -	\$ -	\$ 26,014	\$ -
2009B Capital Appreciation Premium/(Discount)	249,806	-	-	(10,069)	239,737
2009C Series Bonds Premium/(Discount)	-	149,517	-	-	149,517
2020 Refunding Bonds Premium/(Discount)	-	636,501	-	-	636,501
Totals	<u>\$ 10,519,503</u>	<u>\$ 7,531,018</u>	<u>\$ 341,401</u>	<u>\$ (5,374,055)</u>	<u>\$ 13,017,867</u>

The District's future payments on the bonds are as follows:

For the Year Ended June 30:	Principal and Accreted Interest	Future Interest	Total
2021	\$ 508,254	\$ 30,297	\$ 538,551
2022	453,320	250,405	703,725
2023	467,893	249,632	717,525
2024	422,235	249,040	671,275
2025	442,386	248,489	690,875
2026 - 2030	2,550,690	1,207,936	3,758,626
2031 - 2035	2,596,251	1,716,068	4,312,319
2036 - 2040	1,604,106	3,347,933	4,952,039
2041 - 2045	1,359,608	4,331,987	5,691,595
2046 - 2050	1,587,369	4,934,755	6,522,124
Totals	<u>\$ 11,992,112</u>	<u>\$ 16,566,542</u>	<u>\$ 28,558,654</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6. PENSION PLANS**

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

**A. California State Teachers' Retirement System**

**1. Plan Description and Provisions**

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalSTRS website.

**2. Benefits Provided**

The plan provides retirement, disability, and survivor benefits to beneficiaries. Beneficiaries of a retired member who elected an option receive a continuing lifetime benefit upon the member's death.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>After January 1, 2013</u>	<u>On Or Before December 31, 2012</u>
Hire Date		
Benefit Formula	2% @ age 62	2% @ age 60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Payable upon retirement	Payable upon retirement
Retirement Age	Age 55 with at least 5 years service.	Age 55 with at least 5 years service, or age 50 with 30 years of service.
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum at age 65 or older.	Variable based on age factor 2.0% at age 60 to 2.4% maximum at age 63 or older.
Required Employee Contribution Rates	10.205%	10.250%
Required Employer Contribution Rates	18.13%	18.13%
Required State Contribution Rates	10.328%	10.328%

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.**     PENSION PLANS (Continued)

3.   Contributions

Active plan members are required to contribute 10.21% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$	524,750
Contributions - state on behalf	\$	560,373

4.   Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the State Teachers Retirement Plan's (STRP) fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.



SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance - PCA) as an input to the process. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

	Asset Allocation	Long-Term Expected Real Rate of Return (20-year average)
Global Equity	47.00%	4.80%
Fixed Income	12.00%	1.30%
Real Assets	13.00%	3.60%
Private Equity	13.00%	6.30%
Risk Mitigating Strategies	9.00%	1.80%
Inflation Sensitive	4.00%	3.30%
Liquidity (Cash)	2.00%	-0.40%
Total	100.00%	

5. On Behalf Payment

The State of California makes contributions to STRS on behalf of the District. Under accounting principles generally accepted in the United States of America, these amounts have been recorded as revenue in the government-wide financial statements. For the year ended June 30, 2020 the District has recorded \$560,373 of State on behalf payments as revenue.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

**B. California Public Employees' Retirement System**

**1. Plan Description and Provisions**

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**2. Benefits Provided**

The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>PEPRA</u>	<u>Classic</u>
	After January 1, 2013	On Or Before December 31, 2012
Hire Date		
Benefit Formula	2% @ age 62	2% @ age or 55
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly	Monthly
Retirement Age	Age 52 with at least 5 years service	Age 50 with at least 5 years service
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum	Variable based on age factor 2.0% at age 55 to 2.5% maximum
Required Employee Contribution Rates	7.00%	7.00%
Required Employer Contribution Rates	18.06%	18.06%

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.**     PENSION PLANS (Continued)

3.   Contributions

Active plan members are required to contribute 6.50% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$	179,077
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4.   Discount Rate

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

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

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

	Asset Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Entity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) an expected inflation of 2.00% used for this period

(b) an expected inflation of 2.92% used for this period

**C. Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use Social Security.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

**D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

**1. Pension Liability**

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

CalSTRS	\$ 5,282,571
CalPERS	<u>1,898,748</u>
Total District net pension liability	7,181,319
State's proportionate share of the CalSTRS net pension liability associated with the District	<u>2,881,995</u>
Total	<u><u>\$ 10,063,314</u></u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2018 and 2019 was as follows:

	<u>CalSTRS</u>	<u>CalPERS</u>
District Proportion - June 30, 2018	0.0059%	0.0072%
District Proportion - June 30, 2019	0.0058%	0.0065%
Change - Increase (Decrease)	-0.0001%	-0.0007%

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

2. Pension Expenses and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2020, the District recognized pension expense of \$548,815. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 728,831	\$ -
Differences between actual and expected experience	204,549	47,656
Changes in assumptions	1,381,402	(4,877)
Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share contributions	68,961	(746,344)
Net differences between projected and actual earnings on plan investments	89,117	(183,847)
Total	<u>\$ 2,472,860</u>	<u>\$ (887,412)</u>

The \$728,831 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

For the Year Ended June 30:

2021	\$ 644,170
2022	422,542
2023	166,712
2024	(50,626)
2025	(87,801)
Thereafter	(238,380)
	<u>\$ 856,617</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.     PENSION PLANS** (Continued)

3. Actuarial Assumptions.

Total pension liabilities were determined by applying update procedures to a financing actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019.

	<u>CalSTRS</u>	<u>CalPERS</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Measurement Period	July 1, 2018 through June 30, 2019	July 1, 2018 through June 30, 2019
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation Rate	2.75%	2.50%
Payroll Growth	3.50%	Varies by Entry Age and Service
Investment Rate of Return	7.10%	7.15%
Experience Study / Period Upon Which Actuarial Experience Survey Assumptions Were Based	2010-2015	1997-2015
Mortality Rate	(Custom CalSTRS rates) See June 30, 2016 DB Program funding valuation for details.	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	2.00% simple for DB (Annually) Maintain 85% purchasing power level DB, Not applicable for DBS/CBB	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 6.**     PENSION PLANS (Continued)

4. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>CalSTRS</u>		<u>CalPERS</u>	
1% Decrease		6.10%		6.15%
Net Pension Liability	\$	7,866,186	\$	2,736,920
Current Discount Rate		7.10%		7.15%
Net Pension Liability	\$	5,282,571	\$	1,898,748
1% Increase		8.10%		8.15%
Net Pension Liability	\$	3,140,263	\$	1,203,426

5. Pension Plan Fiduciary Net Position

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



SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7.     POSTEMPLOYMENT BENEFIT PLAN**

**A. Plan Description**

The Postemployment Benefit Plan (Plan) is a single-employer defined benefit healthcare plan administered by the District.

**B. Benefits Provided**

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. The following table outlines the retiree benefits provided:

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	To age 65	To age 65	To age 65
Required Service	12 Years	15 Years	8 Years
Minimum Age	50	55	55
Maximum Retirement Age	61	61	61
Dependent Coverage	Yes	Yes	Yes
District Contribution %	100%	100%	100%
District Cap	\$596 per month	\$647.14 per month	\$647.14 per month

**C. Employees Covered**

The following current and former employees were covered by the benefit terms provided under the Plan:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Participating active employees	<u>24</u>
Total plan members	<u><u>35</u></u>

**D. Contribution Information**

The District currently finances benefits on a pay-as-you-go basis. Actuarially determined contribution amounts have not been calculated for the District and the District is not currently funding the plan on an actuarial basis. Under the transitional approach provided in GASB 75, Paragraph 244, a preliminary OPEB expense of \$144,987 was calculated for fiscal year ending June 30, 2020. The District paid \$73,615 in premium payments during the current fiscal year.

Currently, the District is not funding the Plan in an irrevocable trust fund; however, the District has committed \$1,089,237 for the Plan in the General Fund.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7.     POSTEMPLOYMENT BENEFIT PLAN** (Continued)

**E.   Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date, based on the following actuarial methods and assumptions:

The total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Valuation Date	June 30, 2018
----------------	---------------

Measurement Date	June 30, 2019
------------------	---------------

Actuarial Cost Method	Entry Age
-----------------------	-----------

Actuarial Economic Assumptions:

Discount Rate	3.50%
---------------	-------

Inflation Rate	2.75%
----------------	-------

Payroll Increase	2.75%
------------------	-------

Investment Rate of Return	3.50%
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Healthcare Cost Trend Rate	4.00%
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Actuarial Non-Economic Assumptions:

	<u>Certificated</u>	<u>Classified</u>
Mortality Rate	2009 CalSTRS Mortality (Custom CalSTRS rates)	2014 CalPERS Mortality
Retirement Rate	2009 CalSTRS Retirement Rates (Custom CalSTRS rates)	2009 CalPERS Retirement Rates for School Employees
Vesting Rate	100% at 15 Years of Service	100% at 15 Years of Service

**F.   Discount Rate**

The discount rate used to measure the total OPEB liability was 3.5% per year net of expenses. This is based on the Bond Buyer 20 Bond Index. Based on the actuarial assumptions, contributions would be sufficient to fully fund the liability over a period not to exceed 30 years.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7.     POSTEMPLOYMENT BENEFIT PLAN** (Continued)

**G. Changes in the Net OPEB Liability**

The changes in the net OPEB liability of the District at June 30, 2020 are as follows:

	Increase (Decrease)		
	Total OPEB Liability (Asset)	Plan Fiduciary Net Positon	Net OPEB Liability (Asset)
Balance at June 30, 2019	\$ 623,389	\$ -	\$ 623,389
Changes recognized for the measurement period:			
Service Cost	12,242	-	12,242
Interest on Total OPEB Liability (Asset)	20,745	-	20,745
Employer Contributions	-	73,615	(73,615)
Employee Contributions	-	(73,615)	73,615
Assumption Changes	(49,379)	-	(49,379)
Experience (Gains)/Losses	(37,738)	-	(37,738)
Actual Investment Income	-	-	-
Administrative Expense	-	-	-
Benefit Payments	(73,615)	-	(73,615)
Other	-	-	-
Net Changes	(127,745)	-	(127,745)
Balance at June 30, 2020	\$ 495,644	\$ -	\$ 495,644

**H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District if it were calculated using discount rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

1% Decrease	2.50%
Net OPEB Liability (Asset)	\$ 509,849
Current Discount Rate	3.50%
Net OPEB Liability (Asset)	\$ 495,644
1% Increase	4.50%
Net OPEB Liability (Asset)	\$ 481,515

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7.     POSTEMPLOYMENT BENEFIT PLAN** (Continued)

**I.   Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

1% Decrease		3.00%
Net OPEB Liability (Asset)	\$	490,688
Current Trend Rate		4.00%
Net OPEB Liability (Asset)	\$	495,644
1% Increase		5.00%
Net OPEB Liability (Asset)	\$	500,847

**J.   OPEB Plan Fiduciary Net Position**

The District has no OPEB Plan Fiduciary Net Position.

**K.   Recognition of Deferred Outflow and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources relate to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 48,729	\$ -
Changes in assumptions	4,401	31,090
Net differences between projected and actual earnings on OPEB plan investments	-	23,760
Total	<u>\$ 53,130</u>	<u>\$ 54,850</u>

**L.   OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$144,987. The District did not have any deferred outflows or inflows of resources related to OPEB as the Measurement Date is the same as the Reporting Date.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7.      POSTEMPLOYMENT BENEFIT PLAN** (Continued)

**M. Actuarial Methods and Assumptions**

Actuarial Cost Method: GASB 74/75 require use of the entry age actuarial cost method. Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The Actuarial Present Value of Projected Benefit Payments (APVPBP) and present value of future service costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

As required under GASB 74 and 75, the valuation is based on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Siskiyou Union High School District regarding practices with respect to employer and employee contributions and other relevant factors.

**NOTE 8.      COMPENSATED ABSENCES**

Accumulated vacation is not accrued in governmental funds. It must be paid to an employee upon termination, but it is generally applied in the year earned or a succeeding year. The District has reported an estimated liability in the amount of \$3,684 relative to compensated absences earned but not used at June 30, 2020. Expenditures related to this liability are accounted for in the fund in which the related salaries are recorded.

**NOTE 9.      GENERAL LONG-TERM DEBT – SCHEDULE OF CHANGES**

A schedule of changes in long-term debt for the year ended June 30, 2020 is shown below:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
General obligation bonds payable	\$ 10,269,697	\$ 7,018,080	\$ 5,295,665	\$ 11,992,112	\$ 30,297
General bond premium (Discount)	249,806	788,846	12,897	1,025,755	105,039
Net Pension Liability	7,339,983	-	158,664	7,181,319	-
Net OPEB Obligation	623,389	-	127,745	495,644	-
Compensated absences	9,277	-	5,593	3,684	-
Totals	<u>\$ 18,492,152</u>	<u>\$ 7,806,926</u>	<u>\$ 5,600,564</u>	<u>\$ 20,698,514</u>	<u>\$ 135,336</u>

General obligation bonds issued for governmental activity purposes are liquidated by the Bond Interest and Redemption Fund. The net pension liability is liquidated from the funds for which the related employees are compensated. Other postemployment benefit premiums and compensated absences are paid from the General Fund.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 10.     RESTRICTED NET POSITION**

The government-wide statement of net position reports \$5,093,547 of restricted net position; of which \$1,425,676 is restricted by enabling legislation.

**NOTE 11.     ASSOCIATED STUDENT BODY**

The activities of the District's Associated Student Body (ASB) are reported within the General Fund as ancillary services and in the restricted ending fund balance. A standalone accounting system is maintained at the school site level and monitored by the District's business office. The high schools operate on an organized basis.

**NOTE 12.     JOINT POWERS AGREEMENTS**

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year ending June 30, 2020, the District participated in several joint powers agreements (JPAs) to manage these risks. There were no significant reductions in coverage during the year. Settled claims have not exceeded coverage in any of the past three years.

The various JPAs and the services they provide the District are as follows:

- Northern California Schools Insurance Group (NCSIG)
- Northeastern Joint Powers Authority (NEJPA)
- Schools Excess Liability Fund (SELF)
- California Valued Trust (CVT)

The JPAs arrange for and provide property, liability, workers' compensation, medical, dental, and vision insurance and excess liability coverage for its members. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. Each joint venture is governed by a board consisting of representatives from various member Districts. Each board controls the operations of the JPA, including selection of management, independent of any influence by the member Districts beyond their representation on the board. Each member District pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 13. STATE TEACHERS' RETIREMENT SYSTEM EARLY RETIREMENT INCENTIVE PROGRAM**

The District has adopted an early retirement incentive program, pursuant to California Education Code Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years. Eligible employees must have five or more years of service under the State Teachers' Retirement System and retire during a period of not more than 120 days or less than 60 days from the date of the formal action taken by the District. During the 2019/2020 year, there was five participants in the early retirement incentive program, and the full payment option was selected.

Retiree information is as follows:

Position Vacated	Age <sup>1</sup>	Service Credit	Years <sup>2</sup>	Retired Employee		Replacement Employee (If Applicable)	
				Salary	Benefits	Salary	Benefits
Teacher	59.2	31	1	\$ 75,121	\$ 24,654	\$ -	\$ -
Teacher	63.3	17	8	68,935	23,190	62,489	21,665
Teacher	60.11	29	1	80,453	25,916	-	-
Teacher	58.11	27	17	75,121	24,654	62,489	21,665
Teacher	63.3	25	17	75,121	24,654	62,489	21,665
Totals				<u>\$ 374,751</u>	<u>\$ 123,068</u>	<u>\$ 187,467</u>	<u>\$ 64,995</u>

<sup>1</sup> Age in 'Years - Months.'

<sup>2</sup> The number of years used to determine the net salary and benefit savings before retirement costs.

The early retirement incentive program is expected to generate a \$59,431 net payroll cost savings.

Retirement costs are follows:

Retirement costs	\$ 231,818
Interest	-
Postemployment health benefit costs (2 years)	71,520
Administrative fees	<u>1,450</u>
Total Additional Costs	<u>\$ 304,788</u>

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 14.    COMMITMENTS AND CONTINGENCIES**

**A.   Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally require 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, 2020.

**B.   Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

**C.   Commitments**

As of June 30, 2020 the District had no material commitments outstanding.

**NOTE 15.    SUBSEQUENT EVENTS**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the District through November 29, 2021 and concluded that the following subsequent event(s) have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specifically for, Siskiyou Union High School District, COVID-19 may have impacted various parts of its 2021 operations and financial results. The full impact of COVID-19 is unknown and cannot be reasonably estimated.



## REQUIRED SUPPLEMENTARY INFORMATION SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Local control sources:				
State apportionments	\$ 3,001,203	\$ 3,098,489	\$ 2,696,450	\$ (402,039)
Local sources	3,874,377	3,874,375	4,028,004	153,629
Federal	254,749	248,833	250,591	1,758
Other state	108,324	729,754	606,222	(123,532)
Other local	190,429	566,877	708,056	141,179
Contributions	(1)	-	-	-
Total Revenues	7,429,081	8,518,328	8,289,323	(229,005)
EXPENDITURES				
Certificated salaries	3,375,965	3,308,196	3,306,976	1,220
Classified salaries	1,233,175	1,204,678	1,203,807	871
Employee benefits	1,634,529	2,032,275	1,876,891	155,384
Books and supplies	957,291	826,396	462,873	363,523
Services and other operating expenditures	1,177,124	1,202,393	1,199,312	3,081
Capital outlay	58,897	31,473	-	31,473
Other outgo	202,067	281,469	166,461	115,008
Total Expenditures	8,639,048	8,886,880	8,216,320	670,560
Excess (deficiency) of revenues over expenditures before other financing Sources (uses)	(1,209,967)	(368,552)	73,003	441,555
OTHER FINANCING SOURCES (USES)				
Transfers in	253,112	253,112	78,706	(174,406)
Transfers out	(80,663)	(80,663)	(40,531)	40,132
Total Other Financing Sources (Uses)	172,449	172,449	38,175	(134,274)
Net Increase (Decrease) in Fund Balance	(1,037,518)	(196,103)	111,178	307,281
Fund Balance - Beginning	3,704,759	3,704,759	3,704,759	-
Fund Balance - Ending	\$ 2,667,241	\$ 3,508,656	\$ 3,815,937	\$ 307,281

See accompanying notes to required supplementary information.

**SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>CalSTRS</b>						
District's proportion as a percentage of the net pension liability	0.006556%	0.006633%	0.006092%	0.00609%	0.005907%	0.0058%
District's proportionate share of the net pension liability	\$3,856,842	\$4,443,384	\$4,933,740	\$ 5,630,409	\$ 5,428,947	\$ 5,282,571
State's proportionate share of the net pension liability associated with the District	<u>2,328,951</u>	<u>2,349,850</u>	<u>2,808,691</u>	<u>3,330,903</u>	<u>3,108,326</u>	<u>2,881,995</u>
Total	<u>\$ 6,185,793</u>	<u>\$ 6,793,234</u>	<u>\$ 7,742,431</u>	<u>\$ 8,961,312</u>	<u>\$ 8,537,273</u>	<u>\$ 8,164,566</u>
District's covered payroll	\$ 1,838,492	\$ 2,138,891	\$ 1,982,168	\$ 2,146,113	\$ 2,102,341	\$ 1,714,869
District's proportionate share of the net pension liability as a percentage of covered payroll	210%	208%	249%	262%	258%	308%
Plan fiduciary net position as a percentage of the total pension liability	77%	74%	70%	70%	71%	73%
<b>CalPERS</b>						
District's proportion as a percentage of the net pension liability	0.0074%	0.0082%	0.0071%	0.0069%	0.0072%	0.0065%
District's proportionate share of the net pension liability	\$ 840,080	\$ 1,208,688	\$ 1,402,254	\$ 1,656,761	\$ 1,911,036	\$ 1,898,748
District's covered payroll	\$ 786,941	\$ 899,244	\$ 836,851	\$ 877,407	\$ 948,200	\$ 989,376
District's proportionate share of the net pension liability as a percentage of covered payroll	107%	134%	168%	189%	202%	192%
Plan fiduciary net position as a percentage of the total pension liability	84%	79%	74%	72%	71%	70%

See accompanying notes to required supplementary information.

**SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS - PENSION  
FOR THE YEAR ENDED JUNE 30, 2020**

	2015	2016	2017	2018	2019	2020
<b>CalSTRS</b>						
Contractually required contribution (actuarially determined)	\$ 240,914	\$ 273,367	\$ 325,796	\$ 405,837	\$ 453,734	\$ 511,796
Contributions in relation to the actuarially determined	<u>242,681</u>	<u>273,778</u>	<u>331,022</u>	<u>418,492</u>	<u>462,515</u>	<u>524,750</u>
Contribution deficiency (excess)	<u>\$ (1,767)</u>	<u>\$ (411)</u>	<u>\$ (5,226)</u>	<u>\$ (12,655)</u>	<u>\$ (8,781)</u>	<u>\$ (12,954)</u>
Covered payroll	\$ 1,838,492	\$ 2,138,891	\$ 1,982,168	\$ 2,146,113	\$ 2,102,341	\$ 1,714,869
Contributions as a percentage of covered payroll*	13%	13%	17%	20%	22%	31%
<b>CalPERS</b>						
Contractually required contribution (actuarially determined)	\$ 89,301	\$ 107,009	\$ 100,913	\$ 122,838	\$ 146,825	\$ 162,990
Contributions in relation to the actuarially determined	<u>92,859</u>	<u>107,010</u>	<u>101,259</u>	<u>122,837</u>	<u>146,971</u>	<u>179,077</u>
Contribution deficiency (excess)	<u>\$ (3,558)</u>	<u>\$ (1)</u>	<u>\$ (346)</u>	<u>\$ 1</u>	<u>\$ (146)</u>	<u>\$ (16,087)</u>
Covered payroll	\$ 786,941	\$ 899,244	\$ 836,851	\$ 877,407	\$ 948,200	\$ 989,376
Contributions as a percentage of covered payroll*	12%	12%	12%	14%	16%	18%

\* Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use the measure in schedules of required supplementary information. Statement No. 82 amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE NET OPEB  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2020

Measurement Period	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 11,099	\$ 11,404	\$ 12,242
Interest on Total OPEB Liability	24,630	21,687	20,745
Changes in assumptions	-	-	(37,738)
Changes in benefit terms	-	9,295	(49,379)
Net Change in Total OPEB liability	(27,578)	(23,453)	(127,745)
Total OPEB liability - beginning	674,420	646,842	623,389
Total OPEB liability - ending	<u>\$ 646,842</u>	<u>\$ 623,389</u>	<u>\$ 495,644</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 63,307	\$ 65,839	\$ 73,615
Net investment income	-	-	-
Benefit payments	(63,307)	(65,839)	(73,615)
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Total OPEB liability	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>\$ 646,842</u>	<u>\$ 623,389</u>	<u>\$ 495,644</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll	<u>\$ 3,086,945</u>	<u>\$ 3,952,630</u>	<u>\$ 4,190,995</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>20.95%</u>	<u>15.77%</u>	<u>11.83%</u>

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS - OPEB  
JUNE 30, 2020

Fiscal Year Ended June 30:	2018	2019	2020
Actuarially Determined Contribution (ADC)	\$ 65,839	\$ 73,615	\$ 73,615
Contributions in relation to ADC	63,307	65,839	48,729
Contribution deficiency (excess)	\$ 2,532	\$ 7,776	\$ 24,886
Covered-employee payroll	\$ 3,086,945	\$ 3,952,630	\$ 4,190,995
Contributions as a percentage of covered-employee payroll	0.08%	0.20%	0.59%

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1.     PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION**

**A. Budgetary Comparison Schedule**

Budgetary comparison schedules are required to be presented for the General Fund and each major special revenue fund that has a legally adopted budget. The originally adopted and final revised budgets are presented for such funds. The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code.

**B. Schedule of the District's Proportionate Share of the Net Pension Liability**

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

**C. Schedule of the District's Plan Contributions**

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

**D. Changes in Benefits Terms**

There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

**E. Changes in Assumptions**

The following are the assumptions for State Teachers Retirement Plan and Public Employer's Retirement Fund B:

<b>CalSTRS</b>	<b>Measurement Period</b>				
	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Assumptions					
Consumer price inflation	2.75%	2.75%	3.00%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.75%	3.75%

<b>CalPERS</b>	<b>Measurement Period</b>				
	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Assumptions					
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.65%

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1.**      PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION (Continued)

F. Schedule of Changes in the Net OPEB Liability and Related Ratios

The Schedule of Changes in Net OPEB Liability presents multi-year information which illustrates the changes in the net OPEB liability for each year presented. In the future, as data becomes available, ten years of information will be presented.

G. Schedule of Contributions - OPEB

The Schedule of District Contributions is presented to illustrate the District's recommended pay-as-you-go contributions relating to the OPEB. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

H. Schedule of Money-Weighted Rate of Return on OPEB Plan Investments

This Schedule has not been included since the District has no plan investments. The District has elected to make contributions on a Pay-As-You-Go basis.

**NOTE 2.**      EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2020, there were no excess expenditures over appropriations.



## SUPPLEMENTARY INFORMATION SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING BALANCE SHEET  
JUNE 30, 2020

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund
ASSETS				
Cash and equivalents	\$ 75,960	\$ 23,837	\$ 232,347	\$ 685,613
Accounts receivable	11,695	182	933	2,487
Due from other funds	-	5,531	80,000	-
Total Assets	<u>\$ 87,655</u>	<u>\$ 29,550</u>	<u>\$ 313,280</u>	<u>\$ 688,100</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 1,032	\$ 18,634	\$ 28,877	\$ 6,684
Due to other funds	16,384	10,916	-	-
Total Liabilities	<u>17,416</u>	<u>29,550</u>	<u>28,877</u>	<u>6,684</u>
Fund Balance:				
Restricted	67,071	-	-	681,416
Committed				
Other commitments	3,168	-	284,403	-
Assigned				
Other assignments	-	-	-	-
Total Fund Balance	<u>70,239</u>	<u>-</u>	<u>284,403</u>	<u>681,416</u>
Total Liabilities and Fund Balance	<u>\$ 87,655</u>	<u>\$ 29,550</u>	<u>\$ 313,280</u>	<u>\$ 688,100</u>

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING BALANCE SHEET  
JUNE 30, 2020

	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Other Governmental Funds
ASSETS				
Cash and equivalents	\$ 1	\$ 3,582	\$ 312,840	\$ 1,334,180
Accounts receivable	-	13	1,405	16,715
Due from other funds	-	-	-	85,531
Total Assets	<u>\$ 1</u>	<u>\$ 3,595</u>	<u>\$ 314,245</u>	<u>\$ 1,436,426</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 139	\$ 110	\$ 55,476
Due to other funds	-	-	-	27,300
Total Liabilities	<u>-</u>	<u>139</u>	<u>110</u>	<u>82,776</u>
Fund Balance:				
Restricted	-	-	-	748,487
Committed				
Other commitments	-	3,456	314,135	605,162
Assigned				
Other assignments	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total Fund Balance	<u>1</u>	<u>3,456</u>	<u>314,135</u>	<u>1,353,650</u>
Total Liabilities and Fund Balance	<u>\$ 1</u>	<u>\$ 3,595</u>	<u>\$ 314,245</u>	<u>\$ 1,436,426</u>

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund
REVENUES				
LCFF sources:				
Local sources	\$ -	\$ -	\$ 80,000	\$ -
Federal	-	32,885	-	-
Other state	5,006	2,397	-	-
Other local	115,009	4,802	10,582	109,849
Total Revenues	120,015	40,084	90,582	109,849
EXPENDITURES				
Certificated salaries	44,482	-	-	-
Classified salaries	24,110	18,565	-	-
Employee benefits	26,710	12,152	-	-
Books and supplies	1,793	11,417	8,690	-
Services and other operating expenditures	4,407	39,327	32,106	36,116
Capital outlay	-	14,941	50,777	7,905
Total Expenditures	101,502	96,402	91,573	44,021
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	18,513	(56,318)	(991)	65,828
OTHER FINANCING SOURCES (USES)				
Transfers in	-	40,531	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	40,531	-	-
Net Increase (Decrease) in Fund Balance	18,513	(15,787)	(991)	65,828
Fund Balance - Beginning	51,726	15,787	285,394	615,588
Fund Balance - Ending	\$ 70,239	\$ -	\$ 284,403	\$ 681,416

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Other Governmental Funds
REVENUES				
LCFF sources:				
Local sources	\$ -	\$ -	\$ -	\$ 80,000
Federal	-	-	-	32,885
Other state	-	-	-	7,403
Other local	-	60	6,410	246,712
Total Revenues	-	60	6,410	367,000
EXPENDITURES				
Certificated salaries	-	-	-	44,482
Classified salaries	-	-	-	42,675
Employee benefits	-	-	-	38,862
Books and supplies	-	-	-	21,900
Services and other operating expenditures	-	-	-	111,956
Capital outlay	-	-	-	73,623
Total Expenditures	-	-	-	333,498
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	60	6,410	33,502
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	40,531
Transfers out	-	-	(78,706)	(78,706)
Total Other Financing Sources (Uses)	-	-	(78,706)	(38,175)
Net Increase (Decrease) in Fund Balance	-	60	(72,296)	(4,673)
Fund Balance - Beginning	1	3,396	386,431	1,358,323
Fund Balance - Ending	\$ 1	\$ 3,456	\$ 314,135	\$ 1,353,650

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
Certification Numbers	<u>6D1915FE</u>		<u>813913CC</u>	
Grades 9 - 12:				
Regular Average Daily Attendance	<u>495.29</u>	<u>N/A</u>	<u>495.29</u>	<u>N/A</u>
Grades 9 - 12 Totals	<u>495.29</u>	<u>N/A</u>	<u>495.29</u>	<u>N/A</u>
Total ADA	<u>495.29</u>	<u>N/A</u>	<u>495.29</u>	<u>N/A</u>

N/A - There were no audit findings resulting in necessary revisions to attendance.

**SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2020**

Grade Level	Required Minutes	Original		COVID-19			Status <sup>2</sup>
		2019/2020 Annual Minutes	Traditional Number of Instructional Days Offered <sup>1</sup>	2019/2020 Annual Minutes	Approved Deficiency	School Closure Certification Days	
Grade nine	64,800	65,323	180	46,766	(18,034)	52	In Compliance
Grade ten	64,800	65,323	180	46,766	(18,034)	52	In Compliance
Grade eleven	64,800	65,323	180	46,766	(18,034)	52	In Compliance
Grade twelve	64,800	65,323	180	46,766	(18,034)	52	In Compliance

<sup>1</sup> The District did not utilize a multitrack calendar during the 2019/2020 fiscal year.

<sup>2</sup> Meets requirements of Senate Bill 98 – Changes to Instructional Time.

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

General Fund:	(Budgeted) * 2020/2021	2019/2020	2018/2019	2017/2018
Revenues and Other Financing Sources	\$ 7,740,525	\$ 8,368,028	\$ 9,193,054	\$ 8,704,233
Expenditures	7,617,980	8,216,320	9,090,592	8,896,880
Other Uses and Transfers Out	343,534	40,531	62,760	55,065
Total Outgo	7,961,514	8,256,851	9,153,352	8,951,945
Change in Fund Balance	(220,989)	111,177	39,702	(247,712)
Ending Fund Balance	\$ 3,594,948	\$ 3,815,937	\$ 3,704,760	\$ 3,665,058
Available Reserves	\$ 401,624	\$ 337,857	\$ 391,142	\$ 512,152
Reserve for Economic Uncertainties	\$ 304,719	\$ 328,653	\$ 361,694	\$ 354,638
Unassigned Fund Balance	\$ 96,905	\$ 9,204	\$ 29,448	\$ 157,514
Available Reserves as a percentage of Total Outgo	5.0%	4.1%	4.3%	5.7%
Total Long-Term Debt	\$ 20,563,178	\$ 20,698,514	\$ 18,492,152	\$ 18,514,491
Average Daily Attendance at P-2	523	507	519	510

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

The General Fund balance has increased by \$150,879 over the past two years. The District has incurred an operating deficit in one of the past three years. The 2020/2021 General Fund budget projects a decrease of \$220,989 (-5.8%).

For a District of this size, the state recommends available reserves of at least 4% of total General Fund expenditures, transfers out, and other uses (other outgo).

Total long-term debt has increased by \$2,184,023 over the past two years.

Average daily attendance has decreased by 3 ADA over the past two years. The ADA is anticipated to increase 16 ADA during the fiscal year 2020/2021.

\* The 2020/2021 budget is included for analytical purposes only and has not been subjected to audit.

<sup>1</sup> Available reserves consists of all unassigned fund balances and reserves for economic uncertainty that are contained within the governmental funds. Unassigned fund balances are typically only reported in the General Fund. However, other governmental funds may report negative unassigned fund balances and are included in the reported available reserves.



SISKIYOU UNION HIGH SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND  
BUDGET REPORT (SACS) WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Pupil Transportation Equipment Fund *	Special Reserve Fund for Postemployment Benefits *
June 30, 2020 Annual Financial and Budget Report (SACS) Fund Balance	\$ 2,591,728	\$ 134,972	\$ 1,089,237
Adjustments and Reclassifications:			
Reclassification for financial statement presentation	1,224,209	(134,972)	(1,089,237)
June 30, 2020 Audited Financial Statement Fund Balance	<u>\$ 3,815,937</u>	<u>\$ -</u>	<u>\$ -</u>

\* This audit reclassification is made for financial presentation purposes only, pursuant to GASB 54 which, when applied, does not recognize these funds as special revenue fund types. Therefore, the fund balances are consolidated with the General Fund. However, the District is permitted under current State law to account for these funds as a special revenue fund type for interim reporting and budgeting purposes.

	Capital Assets
June 30, 2020 Annual Financial and Budget Report (SACS) Capital Assets	\$ 15,839,068
Adjustments and Reclassifications:	
Capital Assets:	
Construction in progress	(188,052)
June 30, 2020 Audited Financial Statement Balance	<u>\$ 15,651,016</u>

	Long-Term Debt
June 30, 2020 Annual Financial and Budget Report (SACS) Long-Term Debt	\$ 19,899,144
Adjustments and Reclassifications:	
Long-Term Debt:	
General obligation bonds payable	(215,199)
General bond premium (Discount)	1,025,755
Compensated absences	(11,186)
June 30, 2020 Audited Financial Statement Balance	<u>\$ 20,698,514</u>

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1.     PURPOSE OF SUPPLEMENTARY INFORMATION**

**A. Other Governmental Funds Financial Statements**

These statements provide information on the Siskiyou Union High School District's (District) Governmental non-major funds, by object.

**B. Schedule of Average Daily Attendance**

Average daily attendance 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 the District. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**C. Schedule of Instructional Time**

This schedule presents information on the amount of instructional time and number of days offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46208. The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day.

**D. Schedule of Financial Trends and Analysis**

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

**E. Reconciliation of Annual Financial and Budget Report (SACS) with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balances of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**F. Schedule of Charter School**

This schedule represents a complete listing of all charter schools authorized by the District and indicates whether their financial activities and balances have been included in the District's annual audited financial statements for the year ended June 30, 2020. The District has not authorized any Charter Schools; therefore this schedule has not been included for 2019/2020.

## OTHER INDEPENDENT AUDITOR'S REPORTS

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Siskiyou Union High School District  
Mount Shasta, 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 Siskiyou Union High School District (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2021.

**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) to determine the 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 District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiency in internal control, described in the accompanying findings and response that we consider to be significant deficiencies, as items 2020-001.

### **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 determination of financial statement amounts. 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*.

### **District's Response to Findings**

The District's responses to the findings identified in our audit are described in the accompanying findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 Robertson & Associates, CPAs

Lakeport, California  
November 29, 2021

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees  
Siskiyou Union High School District  
Mount Shasta, California

### Compliance

We have audited Siskiyou Union High School District (District)'s compliance with the types of compliance requirements described in the 2019-20 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, that could have a material effect on each of the District's state programs for the year ended June 30, 2020.

### Management's Responsibility

Compliance with the applicable compliance requirements is the responsibility of the District's management.

### Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 2019-20 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

Description	Procedures Performed
<b>Local Education Agencies Other Than Charter Schools:</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not applicable
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Yes
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Not applicable
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
<b>School Districts, County Office of Education and Charter Schools</b>	
California Clean Energy Jobs Act	No, see below
After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, see below
<b>Charter Schools</b>	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study For Charter Schools	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

The term "Not Applicable" used above is 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.

The District has reported ADA for Independent Study that required testing. We were notified that the attendance details for the independent study program were destroyed and therefore we were not able to test the master agreements and work samples. The District has filed a J-13A per Education Code 46391 for the lost or destroyed attendance records on November 10, 2021 and is currently waiting for approval from the California Department of Education.

The District's reported ADA for Continuation Education was below the materiality level that requires testing; therefore, we did not perform any procedures related to this program.

The District did not apply to be a District of Choice; therefore, we did not perform any procedures related to this program.

We did not perform testing for California Clean Energy Jobs Act because there were no expenditures in 2019/2020.

The District did not offer an Independent Study – Course Based program; therefore, we did not perform any procedures related to this program.

### **Basis for Qualified Opinion on State Compliance**

As described in the accompanying schedule of findings and responses, the District did not comply with compliance requirements regarding Early Retirement Incentive and Comprehensive School Safety Plan as described items 2020-002 and 2020-003. Compliance with such requirements is necessary, in our opinion, for Siskiyou Union High School District to comply with state laws and regulations applicable to that program.

### **Qualified Opinion on State Programs**

In our opinion, except for the noncompliance with Early Retirement Incentive and Comprehensive School Safety Plan identified in the schedule of findings and responses, as items 2020-002 and 2020-003, Siskiyou Union High School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2020.

### **Unmodified Opinion on Each of the other State Programs**

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 the state compliance programs identified in the table above for the year ended June 30, 2020.

### **District's Response to Findings**

The District's responses to the findings identified in our audit are included in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, express no opinion on the response.

*Robertson & Associates, CPAs*

Lakeport, California  
November 29, 2021



## FINDINGS AND RESPONSES SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT  
FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020

**Financial Statement Findings**

**2020-001      Late Reporting / State Code 30000 Internal Control**

Criteria

Senate Bill 98 made the following timeline changes for FY 2019-20:

- LEAs may file the annual audit report with the county superintendent of schools, the Superintendent, the Controller, and to its chartering authority if applicable, by March 31, 2021, instead of December 15, 2020.

Condition

Under the circumstances and conditions created by the COVID pandemic and loss of personnel, the District struggled to provide some of the documents requested in a timely manner. The District did not complete and submit its Audit within the allotted time provided by Senate Bill 98.

Effect

The delay in filing of an audit could potentially cause the Superintendent paycheck to be withheld.

Cause

On-set of the COVID-19 Pandemic delayed timeliness of the District's response to the electronic submission of audit documentation. The District has also experienced a change in administrative staff, which has caused some delays in gathering audit documentation.

Questioned Cost

There are no questioned costs.

Recommendation

The District's response to requested audit documentation in a timely manner will assist in meeting the audit filing deadlines to the State. It is imperative that the District adhere to the State of California timelines for the process of filing of the annual audit.

District Response and Action Plan

The District has taken the following steps to address this situation for future audits:

1. Training for our new Chief Business Official and accounts payable/payroll personnel.
2. The addition of a full time accounts payable/payroll position to remove these components from the CBO position.
3. Internal protocol for acquiring and submitting requested materials in a timely and documented manner to ensure all requested and submitted materials are accounted for.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020

**Federal Award Findings and Questioned Costs**

There were no findings or questioned costs relative to federal awards or programs.

**State Award Findings and Questioned Costs**

**2020-002      Employment Retirement Incentive – Golden Handshake  
State Code 30000 Internal Control / State Code 40000 State Compliance**

Criteria

Education Code 22714, 44929 and 14502.1 outline the requirements of an Early Incentive Retirement Program (Golden Handshake).

Condition

The District was not able to provide complete and accurate documents per the Employer Directive 2016-06 for supporting the Early Retirement Incentive program. After the completed audit of the program the District did still achieve a cost savings.

Effect

The potential to overstate / understate the retirement savings.

Cause

The District did not complete all the attachments as referenced in the Employer Directive 2016-06. The District was not able to provide all of the completed documents to accurately calculate the Early Retirement Savings.

Questioned Cost

There are no questioned costs.

Recommendation

The District should utilize all the appropriate forms for collecting the data for submission of an Early Retirement Incentive.

District Response and Action Plan

As recommended, the District will utilize all appropriate forms for collecting the data for submission of an Early Retirement Incentive.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020

**State Award Findings and Questioned Costs**

**2020-003      Comprehensive School Safety Plan / State Code 40000 State Compliance**

Criteria

Per Education Code 32286, each School shall adopt its comprehensive school safety plan by March 1, 2020 and shall review and update its plan my March 1, every year thereafter.

Condition

The District did not approve a comprehensive school safety plan before March 1.

Effect

Out of compliance with law.

Cause

Oversight by District staff. District missed the March 1 deadline.

Questioned Cost

There are no questioned costs.

Recommendation

The District should in the future review and update its plan by March 1, every year thereafter.

District Response and Action Plan

District has corrected this in current year (2020/2021) and will continue to make sure it is done and in compliance each year.

SISKIYOU UNION HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

Finding/Recommendation	Current Status	District Explanation, If Not Implemented
<p>2019-001 During our review of ASB funds at Happy Camp High School, we noted the following:</p> <ol style="list-style-type: none"> <li>1. The high school is filling out PO's after purchasing the items with ASB funds. The actual purchase date is prior to the purchase order date.</li> <li>2. One selection was missing the authorization from the Principal. Purchase Order (PO) forms have 3 signature lines (Student Body Rep, Advisor, Activities Director) the appropriate approval by all parties need to be obtained.</li> <li>3. There were several expenditures that had no verification of receipt of goods.</li> </ol> <p>During our review of ASB funds at McCloud High School, we noted the following:</p> <ol style="list-style-type: none"> <li>1. ASB checks are only being signed by one authorized signer on the account.</li> <li>2. Several were missing all three forms of authorization. Purchase Order (PO) forms have 3 signature lines (Student Body Rep, Advisor, Activities Director) the appropriate approval by all parties need to be obtained.</li> <li>3. Cash deposits lacked proper documentation in the following areas:               <ol style="list-style-type: none"> <li>a. Cash count sheets were not maintained in order to verify to the deposit.</li> <li>b. Unable to verify the timely deposit.</li> </ol> </li> </ol> <p>Good business practices over associated student body funds include the following:</p> <p>Expenditures are approved in advance and paid only with appropriate documentation. Documentation should include but not be limited to preapproved purchase orders, invoices, packing slips, and student council minutes.</p> <p>It is recommended that when the ASB bookkeeper is ready to pay bills, usually once a week, the bookkeeper matches the original purchase order to the invoice and the receiving copy of the purchase order. When all three documents are matched, the ASB bookkeeper will prepare a check to pay the invoice.</p> <p>The Fiscal Crisis &amp; Management Assistance Team, Associated Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference can be downloaded at no charge from <a href="http://www.fcmat.org">www.fcmat.org</a> or bound copies can be purchased from FCMAT.</p>	Implemented	