SAN MATEO UNION HIGH SCHOOL DISTRICT

COUNTY OF SAN MATEO
SAN MATEO, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
San Mateo Union High School District
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Mateo Union High School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Proportionate Share of Net Pension Liability, Schedule of Pension Contributions, and Schedule of Changes in District's Net OPEB Liability and Related Ratios, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information 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 *supplementary information* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *supplementary information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2022, except for Note 1GG, as to which the date is May 10, 2023 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 9, 2022, except for Note 1GG, as to which the date is May 10, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

DISTRICT PROFILE

The San Mateo Union High School District serves the cities of San Mateo, San Bruno, Burlingame, Foster City, and Millbrae as well as the town of Hillsborough. It operates six comprehensive high schools, a charter school, a continuation high school, a middle college program and an adult school. The District is located in northern Silicon Valley approximately 30 miles south of San Francisco next top U.S. Highway 101.

The District is categorized as Basic Aid funded and receives 86% of its General Fund revenues from local property taxes. Property values within the District have remained strong and inventory low. The District's assessed valuation (AV) growth for 2021 was 3.8% higher than the prior year's AV growth.

The District's average daily attendance (ADA) for grades ninth through twelfth was 8,219. Design Technology Charter High School had 524 ADA. The District's enrollment is anticipated to gradually decrease through 2030.

The District currently employs approximately 1,500 staff members.

This section of District's 2021-2022 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

MISSION

The mission of the District is to challenge and motivate each student to achieve full potential as a responsible member of our diverse community, in a safe learning environment that promotes intellectual growth, health, creativity and respect for self and others.

BELIEFS

We believe that:

- Each individual has equal inherent dignity and worth.
- Family is essential to the development of an individual's values.
- Learning develops the aesthetic, emotional, intellectual, practical, and social aspects of the whole person.
- Learning is a unique, personal, and lifelong experience.
- Motivation is essential for reaching one's potential.
- Higher expectations yield higher results.
- Communities have a responsibility to the individual and the individual has a responsibility to the community.
- Diversity enriches the community.

ENROLLMENT & PROJECTIONS

Grade	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
9	2,389	2,426	2,352	2,222	2,231	2,222	2,143	2,212	2,229	2,123
10	2,374	2,425	2,365	2,366	2,213	2,227	2,233	2,167	2,218	2,231
11	2,370	2,415	2,401	2,344	2,350	2,206	2,233	2,251	2,171	2,216
12	2,302	2,529	2,484	2,550	2,431	2,440	2,293	2,325	2,337	2,250
Total (Including D-Tech)	9,435	9,795	9,602	9,482	9,225	9,095	8,902	8,955	8,955	8,820
Pct Chg:	1.90%	3.80%	-2.00%	-1.20%	-2.70%	-1.40%	-2.10%	0.60%	0.00%	-1.50%
SDC:	163	75	165	177	173	171	167	166	168	166
Totals:	**9,598**	**9,870**	**9,767**	**9,659**	**9,398**	**9,266**	**9,069**	**9,121**	**9,123**	**8,986**

The preceding table shows the enrollment history for the District including its charter school. Design Technology Charter High School's first year of operation was 2014-15.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities and Change in Net Position

The Statement of Net Position and the Statement of Activities provide information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting system used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes. Net position is the difference between assets and liabilities and is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's enrollment, property tax base, and the condition of the District's facilities.

The relationship between revenues and expenses impacts the District's financial operating results. Basic Aid school districts are dependent upon the growth of assessed valuation and changes in enrollment. The Board has set up several safeguards to protect its assets by ensuring unforeseen changes in the assessed valuation do not negatively impact the educational programs we provide to students. The quality of the education, breadth and depth of support programs and services for all students and the safety of our schools are critical.

FUND FINANCIAL STATEMENTS

The fund financial statements are designed to report information about the District's most significant funds and are used to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues. Fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than in the District-wide statements.

- Governmental fund statements tell how basic services such as instruction and pupil services were financed in the short term as well as what remains for future spending. Most of the District's basic services are included in governmental funds. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information in the reconciliation statements that explains the relationship (or differences) between them.

- Proprietary fund statements offer financial information about the activities the District operates on a cost reimbursement basis, such as the self-insurance fund. Proprietary funds are reported in the same way as in the District-wide statements.

- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong such as associated student body accounts. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in District-wide and fund financial statements. The notes to the financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's general fund budget, both the adopted and final version, with year-end actuals.

NET POSITION

The District's combined net position, as of June 30, 2022, was ($65,107,315) reflecting an improvement of 40.0%.

Condensed Statement of Net Position

	June 30, 2021	June 30, 2022	$ Change	% Change
Assets:				
Current Assets	$ 384,426,450	$ 371,747,007	$ (12,679,443)	-3.3%
Capital Assets, Net	496,542,081	513,862,460	17,320,379	3.5%
Total Assets	880,968,531	885,609,467	4,640,936	0.5%
Deferred Outflows of Resources	110,702,813	105,728,404	4,974,409	4.5%
Liabilities:				
Current Liabiliites	18,979,238	31,004,513	12,025,275	63.4%
Long-term Liabilites	1,009,182,421	916,024,266	(93,158,155)	-9.2%
Total Liabilities	1,028,161,659	947,028,779	(81,132,880)	-7.9%
Deferred Inflows of Resources	71,685,656	109,416,407	37,730,751	52.6%
Net Position:				
Net Investment in Capital Assets	(69,491,234)	(72,897,002)	(3,405,768)	4.9%
Restricted	78,662,829	102,900,671	24,237,842	30.8%
Unrestricted	(117,347,566)	(95,110,984)	22,236,582	18.9%
Total Net Position	$ (108,175,971)	$ (65,107,315)	$ 43,068,656	39.8%

CHANGE IN NET POSITION

The District's total revenues increased $12,513,903, 4.6%, to $283,150,685. The total cost of all programs and services decreased 7.3% to $240,082,029. The District's expenses are predominantly related to educating and caring for students (61.5%).

Condensed Statement of Activities

	2021	2022	$ Change	% Change
Revenues:				
Charges for Services	$ 2,108,006	$ 1,707,319	$ (400,687)	-19.0%
Operating Grants & Contributions	35,575,400	39,224,690	3,649,290	10.3%
Federal & State Aid, not restricted for specific purposes	5,388,611	4,378,584	(1,010,027)	-18.7%
Taxes and Subventions	216,598,574	230,390,945	13,792,371	6.4%
Interest & Investment Earnings	3,296,151	2,702,971	(593,180)	-18.0%
Other General Revenues	7,670,040	4,746,176	(2,923,864)	-38.1%
Total Revenues	270,636,782	283,150,685	12,513,903	4.6%
Expenses:				
Instruction	98,075,411	100,477,520	2,402,109	2.4%
Instruction Related Services	26,407,816	23,440,572	(2,967,244)	-11.2%
Pupil Services	23,220,604	23,665,110	444,506	1.9%
General Administration	8,695,262	7,847,968	(847,294)	-9.7%
Plant Services	22,916,635	19,228,294	(3,688,341)	-16.1%
Interest on Long-Term Debt	38,540,998	23,282,573	(15,258,425)	-39.6%
Depreciation (unallocated)	30,192,320	30,355,676	163,356	0.5%
Other Expenses	11,025,510	11,784,316	758,806	6.9%
Total Expenses	259,074,556	240,082,029	(18,992,527)	-7.3%
Change in Net Position	$ 11,562,226	$ 43,068,656	$ (31,506,430)	-272.5%

LONG TERM LIABILITIES

Total long-term liabilities decreased by $93,158,155 (9.23%), primarily due to the decrease in net pension liability of $86,486,139.

	2021	2022	$ Change	% Change
Bonds Payable	$ 689,770,944	$ 671,716,012	$ (18,054,932)	-2.62%
Accreted Interest	125,038,127	135,885,988	10,847,861	8.68%
Capital Leases	168,277	86,228	(82,049)	100.00%
Net OPEB Liability	2,579,531	2,951,408	371,877	14.42%
Net Pension Liability	191,295,818	104,809,679	(86,486,139)	-45.21%
Accumulated Vacation	329,724	574,951	245,227	74.37%
Total	$1,009,182,421	$ 916,024,266	$ (93,158,155)	-9.23%

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

CAPITAL ASSETS

Capital assets, net of depreciation, increased by $17,320,379 (3.49%) due to new construction under Measures L and O offset current year depreciation.

	2021	2022	$ Change	% Change
Land	$ 3,693,384	$ 3,693,384	$ -	0.00%
Work-in-Progress	37,388,352	49,456,082	12,067,730	32.28%
Buildings	224,580,715	224,580,715	-	0.00%
Improvement of Sites	586,353,190	621,612,658	35,259,468	6.01%
Equipment	11,003,445	11,352,302	348,857	3.17%
Subtotals	863,019,086	910,695,141	47,676,055	5.52%
Less: Accumulated Depreciation	(366,477,005)	(396,832,681)	(30,355,676)	8.28%
Capital Assets, net	$ 496,542,081	$ 513,862,460	$ 17,320,379	3.49%

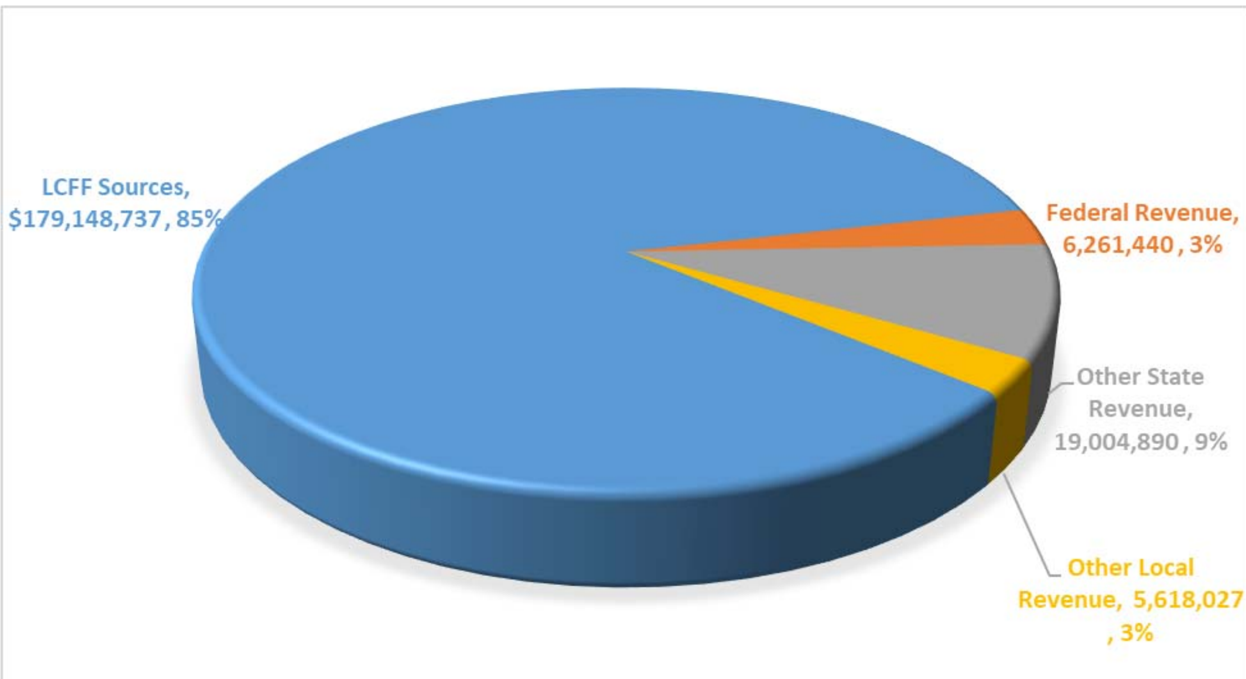
GENERAL FUND

General Fund Budgetary Highlights

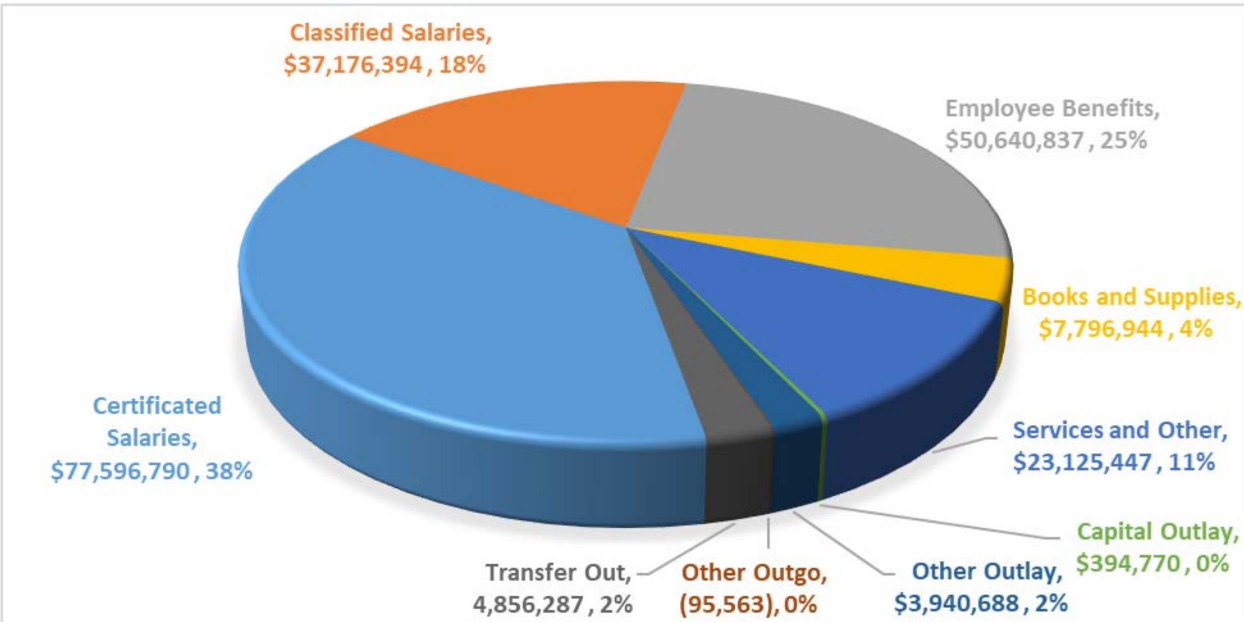
The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

Governmental Activities

The following chart provides a breakdown of the $199.97 million of General Fund revenues by category:



The following chart provides a breakdown of the $205.43 million of General Fund expenditures by object:



Instruction and instruction-related services account for 64% of total expenditures by function. Overall, salary and benefits made up 81% of the total expenditures in the General Fund for 2021-22.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Basic aid districts have expenditure budgets built on local tax revenues. There is no safety net at all on basic aid revenues until they decline to the level of the state guarantee and the district ceases to be basic aid. Declines in revenue per student are quite common in basic aid districts; they happen every year in either small increments or large drops. Basic aid districts therefore must create their own safety net and must do it by maintaining higher-than-average reserves.

To safeguard the District against fluctuations, the Board of Trustees adopted a prudent Basic Aid contingency reserve equal to 12%.

Increases to state mandated employer rates for State retirement systems (CalSTRS and CalPERS) continue to put negative pressure on the District's budget.

The employer CalSTRS rate was 16.92% in 2021-2022 and increased to 19.1% in 2022-23 and beyond.

The employer CalPERS rate was 22.91% in 2021-2022 and increased to 25.37% in 2022-23. The rate is projected to decrease to 25.20% in 2023-2024, 24.60% in 2024-2025, and 23.70% in 2025-2026.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our community, property taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability and safe guards of the money it receives. If you have questions regarding this report or need additional financial information, contact Yancy Hawkins, Associate Superintendent, Chief Business Officer, 650 Delaware Ave. San Mateo, CA 94401.

FINANCIAL SECTION

SAN MATEO UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 360,142,361
Receivables	11,434,179
Prepaid expenses	136,933
Inventories	33,534
Capital assets, net of accumulated depreciation (Note 4)	513,862,460
Total Assets	885,609,467
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding of bonds	17,969,708
Deferred discount on bonds	960,822
Deferred outflows of resources relating to pensions (Note 6)	86,331,752
Deferred outflows on OPEB (Note 7)	466,122
Total Deferred Outflows	105,728,404
LIABILITIES	
Accounts payable and other current liabilities	28,629,003
Unearned revenue	2,375,510
Long-term liabilities:	
Due within one year	35,736,061
Due in more than one year	880,288,205
Total Liabilities	947,028,779
DEFERRED INFLOWS OF RESOURCES	
Deferred bond premium revenue	41,069,805
Deferred inflows on pensions (Note 6)	67,416,921
Deferred inflows on OPEB (Note 7)	929,681
Total Deferred Inflows	109,416,407
NET POSITION	
Net investment in capital assets	(72,897,002)
Restricted	102,900,671
Unrestricted	(95,110,984)
Total Net Position	$ (65,107,315)

SAN MATEO UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 100,477,520	$ 60,010	$ 17,117,527	$ -	$ (83,299,983)
Instruction - related services:					
Instructional supervision	7,072,628	3,208	4,093,158	-	(2,976,262)
Instructional library, media and technology	6,901,715	4,268	499,532	-	(6,397,915)
School site administration	9,466,229	33,065	2,417,676	-	(7,015,488)
Pupil Services:					
Home-to-school transportation	2,737,083	182	7,412	-	(2,729,489)
Food services	3,241,994	26,735	4,737,718	-	1,522,459
All other pupil services	17,686,033	10,017	4,235,629	-	(13,440,387)
General administration	7,847,968	1,674	230,333	-	(7,615,961)
Plant services	19,228,294	6,839	719,089	-	(18,502,366)
Ancillary services	6,542,119	21,262	1,675,776	-	(4,845,081)
Community services	17,843	-	-	-	(17,843)
Enterprise activities	1,255,065	-	-	-	(1,255,065)
Interest on long-term debt	23,282,573	-	-	-	(23,282,573)
Other outgo	3,969,289	1,540,059	3,490,840	-	1,061,610
Depreciation (unallocated)	30,355,676	-	-	-	(30,355,676)
Total governmental activities	$ 240,082,029	$ 1,707,319	$ 39,224,690	$ -	(199,150,020)

General Revenues	
Taxes and subventions:	
Taxes levied for general purposes	176,900,410
Taxes levied for debt service	48,062,037
Taxes levied for other specific purposes	5,428,498
Federal and state aid not restricted to specific purposes	4,378,584
Interest and investment earnings	2,702,971
Interagency revenues	155,349
Miscellaneous	4,040,827
Special and extraordinary items	550,000
Total general revenues	242,218,676
Change in net position	43,068,656
Net Position - July 1, 2021	(108,175,971)
Net Position - June 30, 2022	$ (65,107,315)

SAN MATEO UNION HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	$ 52,991,025	$ 220,928,766	$ 52,766,994	$ 33,455,576	$ 360,142,361
Accounts receivable	8,799,509	1,432,375	127,645	1,074,650	11,434,179
Stores	33,534	-	-	-	33,534
Prepaid expenditures	136,933	-	-	-	136,933
Due from other funds	97,149	742,713	-	6,832	846,694
Total assets	$ 62,058,150	$ 223,103,854	$ 52,894,639	$ 34,537,058	$ 372,593,701
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 6,607,855	$ 11,425,893	$ -	$ 558,084	$ 18,591,832
Unearned revenue	2,278,326	-	-	97,184	2,375,510
Due to other funds	749,545	25	-	97,124	846,694
Total Liabilities	9,635,726	11,425,918	-	752,392	21,814,036
Fund balances					
Nonspendable	190,467	-	-	-	190,467
Restricted	5,730,016	31,987,704	52,894,639	12,288,312	102,900,671
Committed	40,337,934	179,690,232	-	21,496,354	241,524,520
Unassigned	6,164,007	-	-	-	6,164,007
Total Fund Balance	52,422,424	211,677,936	52,894,639	33,784,666	350,779,665
Total liabilities and fund balances	$ 62,058,150	$ 223,103,854	$ 52,894,639	$ 34,537,058	$ 372,593,701

SAN MATEO UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total fund balances - governmental funds		$ 350,779,665
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost:	$ 910,695,141	
Accumulated depreciation:	(396,832,681)	
Net:		513,862,460
Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:		
Unamortized portion of bond premiums		(41,069,805)
Unamortized portion of loss on refunding of bonds		17,969,708
Unamortized portion of bond discount		960,822
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(10,037,171)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General Obligation Bonds Payable	$ 671,716,012	
Net OPEB liability	2,951,408	
Accreted Interest on General Obligation Bonds Payable	135,885,988	
Compensated absences payable	574,951	
Capital leases payable	86,228	
Net Pension Liability	104,809,679	
		(916,024,266)
Deferred outflows and inflows of resources relating to pensions and other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension and OPEB are reported.		
Deferred outflows of resources relating to pensions		86,331,752
Deferred inflows of resources relating to pensions		(67,416,921)
Deferred outflows of resources relating to OPEB		466,122
Deferred inflows of resources relating to OPEB		(929,681)
Total net position, governmental activities:		$ (65,107,315)

SAN MATEO UNION HIGH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
REVENUES					
LCFF sources	$ 179,148,738	$ -	$ -	$ -	$ 179,148,738
Federal revenue	6,261,439	-	632,792	4,801,020	11,695,251
Other state revenues	19,004,891	-	136,996	6,162,302	25,304,189
Other local revenues	5,693,781	8,037,182	48,280,324	4,442,279	66,453,566
Total revenues	210,108,849	8,037,182	49,050,112	15,405,601	282,601,744
EXPENDITURES					
Certificated salaries	77,596,791	-	-	2,341,375	79,938,166
Classified salaries	37,176,399	70,873	-	3,092,644	40,339,916
Employee benefits	50,640,844	26,172	-	2,290,946	52,957,962
Books and supplies	7,796,950	273,619	-	2,435,391	10,505,960
Services and other operating expenditures	23,125,448	391,619	355,472	1,188,049	25,060,588
Capital outlay	394,772	46,290,745	-	50,184	46,735,701
Other outgo	3,845,125	-	-	95,563	3,940,688
Debt service, principal	-	-	25,144,932	-	25,144,932
Debt service, interest	-	-	22,998,339	-	22,998,339
Total expenditures	200,576,329	47,053,028	48,498,743	11,494,152	307,622,252
Excess (deficiency) of revenues over expenditures	9,532,520	(39,015,846)	551,369	3,911,449	(25,020,508)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	3,241,198	-	90,089	3,331,287
Operating transfers out	(3,331,287)	-	-	-	(3,331,287)
Other sources	-	550,000	54,710,000	-	55,260,000
Other uses	-	-	(54,354,528)	-	(54,354,528)
Total other financing sources (uses)	(3,331,287)	3,791,198	355,472	90,089	905,472
Net change in fund balances	6,201,233	(35,224,648)	906,841	4,001,538	(24,115,036)
Fund balances, July 1, 2021	46,221,191	246,902,584	51,987,798	29,783,128	374,894,701
Fund balances, June 30, 2022	$ 52,422,424	$ 211,677,936	$ 52,894,639	$ 33,784,666	$ 350,779,665

SAN MATEO 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 FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds		$ (24,115,036)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 47,676,055	
Depreciation expense:	(30,355,676)	
		17,320,379
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		77,502,049
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from were:		(54,710,000)
Accreted interest: In governmental funds, accreted interest on capital appreciation bonds and bond anticipation notes is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. Accreted interest incurred exceeded amounts paid during the year by:		(15,502,929)
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:		(589,679)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(245,227)
Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made In the statement of activities, OPEB costs are recognized on the accrual basis. The difference between OPEB costs and actual employer contributions was:		(182,309)
Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		36,188,828
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:		
Amortization of deferred outflows relating to loss from debt refunding	3,724,287	
Amortization of deferred outflows relating to debt issue discount	95,730	
Amortization of deferred inflows relating to debt issue premium	3,582,563	
		7,402,580
Total change in net position - governmental activities		$ 43,068,656

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Mateo Union High School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. REPORTING ENTITY

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For San Mateo Union High School District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

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

The San Mateo Union High School District Building Corporation (the Corporation) financial activity is presented in the financial statements as the Capital Projects for Blended Component Units Fund and the Debt Service for Blended Component Units Fund. Certificates of participation and other debt issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually prepared financial statements are not prepared for the Corporation.

B. BASIS OF PRESENTATION

<u>Government-wide Financial Statements</u>

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

B. BASIS OF PRESENTATION (CONTINUED)

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: net investment in capital assets; restricted; or unrestricted. Restricted net position are further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

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 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.

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

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. On a 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 collectible within the current period or within 60 days after year-end.

Non-exchange transactions, 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 specified 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. FUND ACCOUNTING

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

The District funds are as follows:

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 District also maintains a Special Reserve Fund for Other Than Capital Outlay Projects. The Special Reserve Fund for Other Than Capital Outlay Projects is not substantially composed of restricted or committed revenue sources, and does not meet the definition of a special revenue fund under GASB 54; therefore, activity in the fund is being reported within the General Fund.

D. FUND ACCOUNTING (CONTINUED)

The **Building Fund** exists primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

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

Non-Major Governmental Funds

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditures for specific purposes. The District maintains the following special revenue funds:

The **Student Activity Fund** accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.

The **Adult Education Fund** is used to account separately for Federal, State, and local revenues to operate adult education programs and is to be used only for expenditures for the operation of adult education programs.

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

The **Deferred Maintenance Fund** is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (Education Code Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

The **Foundation Special Revenue fund** is used to account for resources received from local donations.

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

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

The **Special Reserve Fund for Capital Outlay Projects Fund** is used to account for funds set aside for Board designated construction projects.

The **Foundation Permanent Fund** is used to account for permanently restricted funds.

E. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles 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.

During the year, budget revisions by the District's governing board and district superintendent give consideration to unanticipated revenue and expenditures. The final revised budgets are presented in the 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 major object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account. The budgets are revised during the year by the District's Board of Education and District Superintendent to provide for unanticipated revenues and expenditures.

F. 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 at June 30.

G. REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

H. UNEARNED REVENUE

Unearned Revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received before the eligibility requirements are met are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as deferred revenue.

I. EXPENSES/EXPENDITURES

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

J. INVESTMENT VALUATION AND INCOME RECOGNITION

In accordance with *Education Code* Section 41001, the District maintains substantially all its cash in the San Mateo County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is credited to each fund. Any investment losses are proportionately shared by all funds in the pool.

K. CASH AND CASH EQUIVALENTS

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

L. INVESTMENTS

Investments held at June 30, 2022, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

M. RECEIVABLES

Receivables consist of amounts due from the federal and state governments related to federal and state programs. The District has not established an allowance for doubtful accounts, due to the nature of these accounts. However, management continually monitors the accounts for collectability. The District does not charge interest on past due accounts.

N. STORES INVENTORIES

Inventories in the General Fund consist mainly of consumable supplies held for future use. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental type funds when used.

O. CAPITAL ASSETS

Capital assets are those purchased or acquired with an original cost of $25,000 or more 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 expenses as incurred. Depreciation on all capital assets is computed using the straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Life in Years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	2 - 15 years
Vehicles	7 years

P. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

Q. COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

R. LONG-TERM OBLIGATIONS

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

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

S. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

T. FUND BALANCE

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g. inventories and prepaids) or that are legally or contractually required to be maintained intact. The District has classified it revolving cash account as being nonspendable as it is required to be maintained intact.

Restricted: This classification includes amounts constrained to specific purposes by their providers or by law. The District has classified federal and state categorical programs as being restricted because their use is restricted by Statute. Debt service resources are to be used for future servicing of the general obligation bonds and are restricted through debt covenants.

Committed: This classification includes amounts constrained to specific sources by the Board. For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

U. FUND BALANCE (CONTINUED)

Assigned: This classification includes amounts which the Board or its designee intends to use for a specific purpose but are neither restricted nor committed. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: This classification represents fund balance that has not been restricted, committed, or assigned and may be utilized by the district for any purpose.

When multiple types of funds are available for an expenditure, the District shall first utilize funds from the restricted fund balance as appropriate, then from committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

V. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

W. RESTRICTED NET POSITION

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The restriction for unspent categorical program revenues represents the portion of net position restricted to specific program expenditures. The restrictions on special revenues and capital projects represent the portion of net position for the special revenue and capital projects funds. The restriction for debt service represents the amount to be used for the repayment of long-term liabilities. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

X. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are primarily interfund insurance premiums. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

Y. INTERFUND ACTIVITY

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Z. ESTIMATES

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

AA. ELIMINATIONS AND RECLASSIFICATIONS

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

BB. 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 San Mateo Union High School District's California Public Employees' Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. 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.

CC. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

DD. MINIMUM FUND BALANCE POLICY

Pursuant to GASB Statement No. 54, the District adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted expenditures.

The Board of Trustees directs the maintenance of no less than a 12 percent Unrestricted General Fund Reserve for Economic Uncertainty. The Unrestricted General Fund Reserve for Economic Uncertainty will be composed of two elements:

- The first element will be composed of a 3% Unrestricted Reserve for Economic Uncertainty, and will be categorized as basic reserve and will align to the level set by the State for the Unrestricted Reserve for Economic Uncertainty.

- The second element will be composed of a 9% Unrestricted Strategic Reserve for Economic Uncertainty.

The total 12 percent Unrestricted General Fund Reserve for Economic Uncertainty will be achieved over a period of time by incrementally growing the unrestricted reserve. The Board intends to adjust its Unrestricted General Fund Reserve for Economic Uncertainty to align to a level comparable to other basic aid school districts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

EE. PROPERTY TAX CALENDAR

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

FF. FINANCING LEASES

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, $5,000,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2022, the District did not have any financial leases that met the threshold.

GG. DUAL DATING OF AUDIT REPORT

Subsequent to our issuance of our audit report dated December 9, 2022, we noted there was a refunding bond issued in September 2021 as described in note 5. As a result of recording the issuance, there was no change to the fund balance in the Bond Interest and Redemption fund. The net position on the Statement of Activities decreased $208,757 as a result of this adjustment.

2. CASH AND EQUIVALENTS

Cash at June 30, 2022 consisted of the following:

	Governmental Activities
Cash in county treasury	$ 359,925,245
Cash with fiscal agent	196,116
Cash in revolving fund	20,000
Cash on hand and in banks	1,000
Total Cash and Cash Equivalents	$ 360,142,361

Cash in Bank and Revolving Funds

Cash balances held in banks and revolving funds are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Mateo County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually into participating funds. Any investment losses are proportionately shared by all funds in the pool. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. In accordance with applicable state laws, the San Mateo County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, the San Mateo County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 1.45 years. The pool is rated AA by Standard and Poor’s.

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value.

2. CASH AND EQUIVALENTS (CONTINUED)

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2022, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

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

Concentration of Credit Risk

The District does not place limits on the amount it may invest in anyone issuer. At June 30, 2022, the District had no concentration of credit risk.

2. INTERFUND TRANSACTIONS

Interfund transactions are reported as 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. 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.

Interfund Receivables/Payables

As of June 30, 2022, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
Major Fund		
General Fund	$ 97,149	$ 749,545
Building Fund	742,713	25
Non-major Funds		
Student Activity Fund	-	5
Adult Education Fund	5,944	1,274
Cafeteria Fund	888	95,841
Foundation Special Revenue Fund	-	4
Totals	$ 846,694	$ 846,694

3. INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2021-2022 fiscal year are as follows:

Transfer from General Fund to the Building Fund for Burlingame Aquatic Center and deferred maintenance.	$ 3,241,198
Transfer from General Fund to the Special Reserve Fund for Capital Outlay Projects to set aside funds for mental health program.	90,089
Total transfers	$ 3,331,287

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Additions / Transfers In	Deletions / Transfers Out	Balance June 30, 2022
Non-depreciable assets:				
Land	$ 3,693,384	$ -	$ -	$ 3,693,384
Work in Progress	37,388,352	46,326,039	34,258,309	49,456,082
	41,081,736	46,326,039	34,258,309	53,149,466
Depreciable assets:				
Buildings	224,580,715	-	-	224,580,715
Improvement of Sites	586,353,190	35,259,468	-	621,612,658
Equipment	11,003,445	348,857	-	11,352,302
	821,937,350	35,608,325	-	857,545,675
Totals, at cost	863,019,086	81,934,364	34,258,309	910,695,141
Accumulated depreciation:				
Buildings	(147,019,702)	(2,461,035)	-	(149,480,737)
Improvement of Sites	(213,658,636)	(27,353,379)	-	(241,012,015)
Equipment	(5,798,667)	(541,262)	-	(6,339,929)
	(366,477,005)	(30,355,676)	-	(396,832,681)
Depreciable assets, net	455,460,345	5,252,649	-	460,712,994
Capital Assets, net	$ 496,542,081	$ 51,578,688	$ 34,258,309	$ 513,862,460

The entire amount of depreciation expense was unallocated in the Statement of Activities.

4. LONG-TERM LIABILITIES

Schedule of Changes in Long-Term Liabilities

The changes in the District's long-term obligations during the year consisted of the following:

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Amounts Due Within One Year
General Obligation Bonds					
Principal amount	$ 689,770,944	$ 54,710,000	$ 72,764,932	$ 671,716,012	$ 30,518,775
Accreted interest	125,038,127	15,502,929	4,655,068	135,885,988	5,135,237
Capital Leases Payable	168,277	-	82,049	86,228	82,049
Net OPEB Liability	2,579,531	704,625	332,748	2,951,408	-
Net Pension Liability	191,295,818	-	86,486,139	104,809,679	-
Accumulated Vacation	329,724	245,227	-	574,951	-
Subtotal	1,009,182,421	71,162,781	164,320,936	916,024,266	35,736,061
Unamortized General Obligation Bond Premium	44,652,368	-	3,582,563	41,069,805	-
Unamortized Bond Discount	(865,092)	(153,188)	(57,458)	(960,822)	-
Unamortized Loss on Refunding	(14,245,421)	(7,292,284)	(3,567,997)	(17,969,708)	-
Total Long-Term Debt	$ 1,038,724,276	$ 63,717,309	$ 164,278,044	$ 938,163,541	$ 35,736,061

General Obligation Bonds

Measure D

An election was held on November 7, 2000, at which more than two-thirds of the voters in the District authorized the issuance and sale of $137.5 million of general obligation bonds. The bonds are general obligations of the District, and the County is obligated to annually levy ad valorem taxes for the payment of, the interest on, and the principal of the bonds. Bond proceeds were for the purpose of constructing a number of projects within the District.

Measure M

An election was held on November 7, 2006, at which time more than fifty-five percent of the voters in the District authorized the issuance and sale of $298 million of general obligation bonds. The bonds are general obligations of the District, and the County is obligated to annually levy ad valorem taxes for the payment of, the interest on, and the principal of the bonds. Bond proceeds were used to finance the costs of renovating, acquiring, constructing, repairing and equipping of District buildings and other facilities and to pay costs of issuance associated with the bonds.

5. LONG-TERM LIABILITIES (CONTINUED)

A portion of the bonds, issued as Series 2010B, were designated "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Series 2010B Bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The District is obligated to deposit any cash subsidy payments it receives into the debt service fund for the Bonds.

Measure O

On November 2, 2010, an election was held of the registered voters of the District, at which more than fifty five percent of the voters voting on the proposition approved the issuance and sale of $146 million principal amount of General Obligation Bonds. The bonds are being issued to 1) prepay the District's 2007 Certificates of Participation, 2) to finance the costs of renovating, acquiring, constructing, repairing, and equipping of District buildings and other facilities and 3) to pay certain costs of issuance associated with the bonds.

2012 General Obligation Refunding Bonds, Series A

On February 13, 2012, the District issued $10,835,000 of General Obligation Refunding Bonds. The Bonds consist of serial bonds bearing fixed rates ranging from 2.0 to 4.0 percent with annual maturities from September 2012 through September 2022. The net proceeds of $12,205,678 (after issuance costs of $141,341 and original issue premium of $1,512,020) were used to refund a portion of the District's outstanding General Obligation Bonds, Election of 2000, Series C.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on the refunding of $35,438 remain to be amortized. As of June 30, 2022, the entire amount has been repaid on the defeased debt.

2012 General Obligation Refunding Bonds, Series B

On November 7, 2012, the District issued $38,940,000 of General Obligation Refunding Bonds. The bonds consist of serial bonds bearing fixed rates ranging from 0.478 to 3.22 percent with annual maturities from September 2013 through September 2024. The net proceeds of $38,615,677 (after issuance costs of $188,033 and underwriter's discount of $136,290) were used to refund a portion of the District's outstanding General Obligation Bonds, 2004 Refunding.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net assets and are amortized to interest expense over the life of the liability. No deferred amounts on refunding remain to be amortized.

5. LONG-TERM LIABILITIES (CONTINUED)

2014 Refunding General Obligation Bonds
On November 13, 2014, the District issued $50,190,000 of General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from September 1, 2015 through September 1, 2032. The net proceeds of $60,583,437 (after premiums of $10,751,678 and issuance costs of $358,241) were used to prepay a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series 2008 A.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding as of June 30, 2022, of $6,782,601 remain to be amortized for this refunding.

2016 General Obligation Refunding Bonds (2021 Crossover)
On March 24, 2016, the District issued $12,550,000 of General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from September 1, 2022 through September 1, 2034. The net proceeds of $13,315,388 (after premiums of $946,493 and issuance costs of $181,105) were used to prepay a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series 2011 A and Election of 2010 General Obligation Bonds, Series 2011 A.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding as of June 30, 2022, of $626,732 remain to be amortized for this refunding.

The transaction resulted in an economic loss (difference between the present value of the debt service on the old and the new bonds) of $362,210.

2016 General Obligation Refunding Bonds
On August 23, 2016, the District issued $139,920,000 of General Obligation Refunding Bonds, Series B ($38,380,000), Series C ($58,530,000), Series D ($12,000,000) and Series E ($22,010,000). The bonds bear fixed interest rates ranging between 2.0% and 5.0% with annual maturities from September 1, 2017 through September 1, 2041. The net proceeds of $152,482,533 (after premiums of $22,303,307 and issuance costs of $740,774) were used to prepay a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series 2013 A, Series 2010 and Series 2012 A and Election of 2010 General Obligation Bonds, Series 2011 A and 2013 A.

5. LONG-TERM LIABILITIES (CONTINUED)

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding as of June 30, 2022, of $14,169,527 remain to be amortized for this refunding.

2017 General Obligation Refunding Bonds Series F
On December 12, 2017, the District issued $41,930,000 of General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 1.687% and 3.5% with annual maturities from September 1, 2018 through September 1, 2042. The net proceeds of $40,877,099 (after discount of $731,671 and issuance costs of $321,230) were used to advance refund a portion of the District's outstanding Election of 2010 General Obligation Bonds, Series 2011A.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding as of June 30, 2022, of $583,859 remain to be amortized for this refunding.

2019 General Obligation Refunding Bonds
On August 13, 2019, the District issued $57,175,000 of 2019 General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between 1.994% and 3.282% with annual maturities from September 1, 2019 through September 1, 2041. The net proceeds are being issued to (i) advance refund a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series 2013A, (ii) advance refund the District's outstanding Election of 2010 General Obligation Bonds, Series 2013A, and (iii) pay the costs of issuing the Bonds.

On November 7, 2019, the District issued $40,355,000 of 2019 General Obligation Refunding Bonds Series B. The bonds bear fixed interest rates ranging between 1.604% and 2.617% with annual maturities from September 1, 2020 through September 1, 2032. The net proceeds are being issued to (i) advance refund a portion of the District's outstanding 2014 General Obligation Refunding Bonds and (iii) pay the costs of issuing the Bonds.

Measure L
On March 3, 2020, an election was held for Measure L of the registered voters of the District, at which more than fifty-five percent of the voters voting on the proposition approved the issuance and sale of $385 million principal amount of General Obligation Bonds. The bonds are being issued to finance the costs of renovating, acquiring, constructing, repairing and equipping of District buildings and other facilities and to pay certain costs of issuance associated with the bonds.

5. LONG-TERM LIABILITIES (CONTINUED)

Measure L issued 2020 series A bonds on June 10, 2020 in the amount of $96,250,000. The bonds bear fixed interest rates ranging between 1.875% to 4.0% with annual maturities from September 1, 2020 through September 1, 2047.

Measure L issued 2020 series B bonds on March 9, 2021 in the amount of $96,250,000. The bonds bear fixed interest rates ranging between 2.0% to 4.0% with annual maturities from September 1, 2021 through September 1, 2048.

2021 General Obligation Refunding Bonds

On September 21, 2021, the District issued $54,710,000 of 2021 General Obligation Refunding Bonds. The bonds bear fixed interest rates ranging between .166% and 2.11% with annual maturities from September 1, 2021 through September 1, 2034. The net proceeds are being issued to (i) advance refund a portion of the District's outstanding Election of 2010 General Obligation Bonds, Series 2015A and (ii) pay the costs of issuing the Bonds.

A summary of outstanding general obligation bonds issued is presented below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2021	Additions	Deductions	Advance Refunding	Balance, June 30, 2022
Measure D:									
2000B	7/24/2002	2027	2.0% - 5.69%	$ 49,996,152	$ 14,579,298	$ -	$ 2,287,940	$ -	$ 12,291,358
2000C	3/4/2004	2029	2.0% - 5.32%	27,503,798	12,658,798	-	-	-	12,658,798
Measure M:									
2011A	7/6/2011	2051	2.0% - 7.0%	34,999,364	24,713,922	-	35,000	-	24,678,922
2011A-1	7/14/2011	2027	5.01%	25,000,000	14,230,000	-	1,680,000	-	12,550,000
2012A	2/13/2012	2039	4.0% - 12.0%	10,895,752	135,211	-	37,202	-	98,009
2013A	12/20/2013	2031	4.0% - 5.0%	94,400,576	16,651,562	-	4,240,000	-	12,411,562
Measure O:									
2011A	6/15/2011	2041	2.23% - 6.7%	89,999,989	50,552,153	-	314,790	-	50,237,363
2015A	5/19/2015	2034	2.0% - 5.0%	56,000,000	52,955,000	-	505,000	47,620,000	4,830,000
Measure L:									
2020A	6/10/2020	2047	1.875%-4.0%	96,250,000	96,250,000	-	6,120,000	-	90,130,000
2020B	3/9/2021	2048	2%-4%	96,250,000	96,250,000	-	-	-	96,250,000
Refunding Issues:									
2012A	2/13/2012	2022	2.0% - 4.0%	10,835,000	3,450,000	-	1,650,000	-	1,800,000
2012B	11/7/2012	2024	0.478% - 3.22%	38,940,000	15,835,000	-	3,795,000	-	12,040,000
2014	11/13/2014	2032	2.0% - 5.0%	50,190,000	12,250,000	-	1,830,000	-	10,420,000
2016	3/24/2016	2035	2.0% - 5.0%	12,550,000	12,550,000	-	-	-	12,550,000
2016B	9/1/2016	2042	2.0% - 4.0%	38,380,000	37,760,000	-	115,000	-	37,645,000
2016C	9/1/2016	2034	4.0% - 5.0%	58,530,000	58,530,000	-	1,270,000	-	57,260,000
2016D	9/1/2016	2039	2.0% - 4.0%	12,000,000	12,000,000	-	-	-	12,000,000
2016E	9/1/2016	2041	2.0% - 4.0%	22,010,000	22,010,000	-	-	-	22,010,000
2017F	11/14/2017	2042	2.0% - 4.0%	41,930,000	41,410,000	-	-	-	41,410,000
2019A	7/17/2019	2041	1.994%-3.282%	57,175,000	55,545,000	-	590,000	-	54,955,000
2019B	11/7/2019	2032	1-604%-2.617%	40,355,000	39,455,000	-	675,000	-	38,780,000
2021	8/24/2021	2023	.166%-2.111%	54,710,000	-	54,710,000	-	-	54,710,000
				$ 1,191,600,572	$ 689,770,944	$ 54,710,000	$ 25,144,932	$ 47,620,000	$ 671,716,012

Accreted Interest	Balance, July 1, 2021	Additions	Deductions	Advance Refunding	Balance, June 30, 2022
Measure M					
2000B	$ 27,263,402	$ 2,251,987	$ 4,357,060	$ -	$ 25,158,329
2000C	18,211,387	1,662,794	-	-	19,874,181
2011A	24,708,194	3,625,889	-	-	28,334,083
2012A	2,211,898	318,412	12,798	-	2,517,512
2013A	1,327,872	215,592	-	-	1,543,464
Measure O					
2011A	48,271,055	6,909,024	285,210	-	54,894,869
2013A	3,044,319	519,231	-	-	3,563,550
	$ 125,038,127	$ 15,502,929	$ 4,655,068	$ -	$ 135,885,988

5. LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2022, are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 30,518,773	$ 30,941,421	$ 61,460,194
2024	34,336,470	31,803,982	66,140,452
2025	32,832,346	33,461,996	66,294,342
2026	25,934,255	29,462,774	55,397,029
2027	25,238,411	27,651,982	52,890,393
2028-2032	153,186,011	134,237,065	287,423,076
2033-2037	125,587,340	138,032,072	263,619,412
2038-2042	107,890,934	162,059,618	269,950,552
2043-2047	93,725,432	68,550,268	162,275,700
2048-2052	42,466,040	66,601,037	109,067,077
Total	$ 671,716,012	$ 722,802,215	$ 1,394,518,227

The annual requirements to amortize the capital lease payable as of June 30, 2022 are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 86,228	$ 2,711	$ 88,940

6. EMPLOYEE RETIREMENT SYSTEMS

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 State Teachers' Retirement System (STRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

Plan Description

California Public Employees' Retirement System (CalPERS)

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. 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. CalPERS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

State Teachers' Retirement System (STRS)

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	CalPERS		CalSTRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	7%	10.25%	10.205%
Required employer contribution rates	22.910%	22.910%	16.92%	16.92%

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS

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

For the year ended June 30, 2022, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	CalPERS	STRS	Total
Contributions - employer	$ 7,960,480	$ 12,703,843	$ 20,664,323
On behalf contributions - state	-	8,557,734	8,557,734
Total	$ 7,960,480	$ 21,261,577	$ 29,222,057

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

As of June 30, 2022, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 44,254,621
STRS	60,555,058
Total Net Pension Liability	$ 104,809,679

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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, 2021, 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, 2020 rolled forward to June 30, 2021 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 plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Measurement Dates	Fiscal Year	CalPERS	STRS
June 30, 2020	2020-21	0.21306%	0.12994%
June 30, 2021	2021-22	0.21763%	0.13306%
Change - Increase (Decrease)		0.00457%	0.00313%

For the year ended June 30, 2022, the District recognized pension expense of ($36,188,828). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,960,480	$ -	$ 21,261,577	$ -	$ 29,222,057	$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2020-21	751,197	1,341,955	1,632,743	2,045,754	2,383,940	3,387,709
Changes of Assumptions	907,247	-	36,919,979	-	37,827,226	-
Differences between Expected and Actual Experience	3,848,599	78,245	703,810	11,358,170	4,552,409	11,436,415
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,707,565	-	10,638,555	617,723	12,346,120	617,723
Net differences between projected and actual investment earnings on pension plan investments	-	12,908,737	-	39,066,337	-	51,975,074
Total	$ 15,175,088	$ 14,328,937	$ 71,156,664	$ 53,087,984	$ 86,331,752	$ 67,416,921

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amounts 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 fiscal year ended June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2023	$ 452,527	$ (1,564,401)	$ (1,111,874)
2024	(1,427,416)	133,111	(1,294,305)
2025	(2,742,718)	(1,245,817)	(3,988,535)
2026	(3,396,722)	(4,620,628)	(8,017,350)
2027	-	3,286,480	3,286,480
Thereafter	-	818,358	818,358
Total	$ (7,114,329)	$ (3,192,897)	$ (10,307,226)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

STRS changed the mortality assumptions based on the July 1, 2015 through June 30, 2018, experience study adopted by the board in January 2020. STRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are STRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Discount Rate

CalPERS

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 [(a)]	Real Return Years 11+ [(b)]
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

[(a)] An expected inflation of 2.00% used for this period
[(b)] An expected inflation of 2.92% used for this period

STRS

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from STRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, STRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of the June 30, 2021 measurement date, are summarized in the following table:

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return [(a)]
Public Equity	42.0%	4.80%
Real Estate	15.0%	3.60%
Private Equity	13.0%	6.30%
Fixed Income	12.0%	1.30%
Risk Mitigating Strategies	10.0%	1.80%
Inflation Sensitive	6.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

[(a)] 20-year average

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:

	CalPERS		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Asset)	$ 73,051,925	$ 44,254,621	$ 18,645,156

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	$ 120,372,198	$ 60,555,058	$ 8,304,354

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS annual comprehensive financial reports available on the CalPERS' and STRS' websites.

Payable to the Pension Plan

As of June 30, 2022, the District had no outstanding required contributions to the pension plans.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description. The District's defined benefit OPEB plan provides OPEB for all full-time employees of the District with a minimum of 10 years of service. The Plan is a single-employer defined benefit OPEB plan administered by the District. The Board of Trustees has the authority to establish and amend the benefit terms. The Plan has no assets, does not issue financial statements, and is not a trust.

Benefits provided. The District provides postemployment health care benefits as follows:

	Certificated	Classified	Certificated Management	Classified Management
Benefit Types Provided	Medical	Medical	Medical	Medical
Duration of Benefits	10 years but not beyond age 65	10 years but not beyond age 65	10 years but not beyond age 65	10 years but not beyond age 65
Required Service	10 Years	15 Years	10 Years	10 Years
Minimum Age	Retirement	Retirement	Retirement	Retirement
Dependent Coverage	Spouse	Spouse	Spouse	Spouse
District Contribution %	100% to cap	100% to cap	100% to cap	100% to cap
District Cap	$250 per month	$250 per month	$250 per month	$250 per month

Employees covered by benefit terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	885
Total	895

Contributions. The Board of Trustees has the authority to establish and amend the contribution requirements of the District and employees. For the year ended June 30, 2022, the District paid $51,394 for retiree health benefits. Employees are not required to contribute to the plan.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Inflation	2.50%
Salary Increases	2.75%
Investment rate of return	3.54%
Healthcare cost trend rate	4.00%

The discount rate of 3.54% was based on the Bond Buyer 20 Bond Index. There are currently no plan assets.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	$ 2,579,531	$ -	$ 2,579,531
Changes for the year:			
Service cost	214,889	-	214,889
Interest	57,484	-	57,484
Differences between expected and actual experience	432,252	-	432,252
Assumption changes	(281,354)	-	(281,354)
Contributions - employer	-	51,394	(51,394)
Benefit payments	(51,394)	(51,394)	-
Net changes	371,877	-	371,877
Balances at June 30, 2022	$ 2,951,408	$ -	$ 2,951,408

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Net OPEB liability (asset)	$ 3,154,032	$ 2,951,408	$ 2,756,784

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$ 2,795,890	$ 2,951,408	$ 3,129,956

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB plan fiduciary net position. There are currently no assets in the plan as there is no separate trust.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of $182,309. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 404,720	$ 114,659
Changes of assumptions	61,402	814,822
Total	$ 466,122	$ 929,481

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

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2023	$ (38,870)
2024	(38,870)
2025	(38,870)
2026	(38,870)
2027	(38,870)
Thereafter	(269,009)
Total	$ (463,359)

Payable to the OPEB Plan

At June 30, 2022, the District reported no outstanding amount of contributions to the Plan.

8. FUND BALANCE

As of these financial statements, the District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The following schedule is a summary of the components of the ending fund balance by fund type at June 30, 2022:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Funds	Total
Nonspendable:					
Revolving cash	$ 20,000	$ -	$ -	$ -	$ 20,000
Stores	33,534	-	-	-	33,534
Prepaid items	136,933	-	-	-	136,933
Total Nonspendable	190,467	-	-	-	190,467
Restricted for:					
Educator Effectiveness, FY 2021-22	2,059,492	-	-	-	2,059,492
Lottery: Instructional Materials	545,774	-	-	-	545,774
Mental Health-Related Services	253,731	-	-	-	253,731
A-G Access/Success Grant	1,778,149	-	-	-	1,778,149
A-G Learning Loss Mitigation Grant	264,234	-	-	-	264,234
Expanded Learning Opportunities (ELO) Grant	813,229	-	-	-	813,229
ELO Grant: Paraprofessional Staff	15,407	-	-	-	15,407
Student Activity Funds	-	-	-	1,278,856	1,278,856
CalWORKs for ROCP or Adult Education	-	-	-	93,798	93,798
Adult Education Program	-	-	-	818,258	818,258
Child Nutrition: School Programs	-	-	-	2,394,481	2,394,481
Child Nutrition: SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	-	-	-	49,702	49,702
Child Nutrition: Supply Chain Assistance (SCA) Funds	-	-	-	218,048	218,048
Child Nutrition: COVID State Supplemental Meal Reimbursement	-	-	-	35,753	35,753
Child Nutrition: Kitchen Infrastructure Upgrade Funds	-	-	-	25,000	25,000
Child Nutrition: Food Service Staff Training Funds	-	-	-	46,625	46,625
Other Restricted Federal	-	-	-	3,063	3,063
Other Restricted Local	-	31,987,704	52,894,639	7,324,728	92,207,071
Total Restricted	5,730,016	31,987,704	52,894,639	12,288,312	102,900,671
Committed:					
Basic Aid Reserve Policy - 4.5%	9,244,467	-	-	-	9,244,467
Basic Aid Reserve Policy - 4.5%	9,244,467	-	-	-	9,244,467
2021-22 Carryover	1,185,057	-	-	-	1,185,057
Emergency Preparedness	500,000	-	-	-	500,000
Out-year Risk/Covid Pandemic Impact	10,403,278	-	-	-	10,403,278
Other Commitments	9,760,665	179,690,232	-	21,496,354	210,947,251
Total Committed	40,337,934	179,690,232	-	21,496,354	241,524,520
Unassigned:					
Reserve for Economic Uncertainties	6,164,007	-	-	-	6,164,007
Total Unassigned	6,164,007	-	-	-	6,164,007
Totals	$ 52,422,424	$ 211,677,936	$ 52,894,639	$ 33,784,666	$ 350,779,665

9. JOINT VENTURES

The San Mateo Union High School District participates in a joint venture under a joint powers agreement (JPA) with the San Mateo County Schools Insurance Group (SMCSIG). The relationship between the San Mateo Union High School District and the JPA is such that the JPA is not a component unit of the San Mateo Union High School District for financial reporting purposes.

The JPA arranges for and provide workers' compensation, property and liability and health insurance for its member school districts. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of the JPA independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPA.

Condensed audited financial information for the year ended June 30, 2021, is as follows:

Total Assets	$ 43,493,537
Deferred Outflows of Resources	351,596
Total Liabilities	20,279,678
Deferred Inflows of Resources	47,791
Net Position	$ 23,517,664
Total Revenues	$ 43,521,834
Total Expenditures	(40,112,140)
Change in Net Postion	$ 3,409,694

10. COMMITMENTS AND CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursement subsequently determined will not have a material effect on the District's financial position.

11. RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2022, the District participated in the SMCSIG public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. WORKERS COMPENSATION

For fiscal year 2021-2022, the District participated in the SMCSIG public entity risk pool for workers compensation, with excess commercial coverage provided by Public Risk Innovation, Solutions, and Management (PRISM).

C. EMPLOYEE MEDICAL BENEFITS

Dental and vision benefits are provided through the SMCSIG public entity risk pool.

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised. Excess of expenditures over appropriations for the year ended June 30, 2022 were as follows:

	Excess Expenditures
General Fund	
Certificated salaries	$ 44,344

The excess is not in accordance with Education Code 42600. The excess General Fund certificated salaries expenditures is due to a one-time stipend as part of negotiations.

On June 9, 2022, the Board of Trustees approved the required disclosure documents (AB1200) for a settlement with the San Mateo Union High School District Teachers Association (SMUHSDTA), which included a one-time payment for 2021-2022. These AB1200 documents included approval of the required additional budget for the payment.

13. SUBSEQUENT EVENTS

In August 2022, the District authorized the sale and issuance of tax and revenue anticipation notes in the amount of $14,065,000. The notes bear an interest rate of 3.00% and matures on January 31, 2023.

The District's management evaluated its June 30, 2022 financial statements for subsequent events through December 9, 2022 except for Note 1GG, as to which the date is May 10, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events, other than the one described above, that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP) AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF sources	$ 174,909,421	$ 179,216,698	$ 179,148,738	$ (67,960)
Federal revenue	5,517,251	4,721,128	6,261,439	1,540,311
Other state revenues	11,723,481	20,186,943	19,004,891	(1,182,052)
Other local revenues	2,283,283	6,497,678	5,693,781	(803,897)
Total revenues	194,433,436	210,622,447	210,108,849	(513,598)
EXPENDITURES				
Certificated salaries	73,052,368	77,552,447	77,596,791	(44,344)
Classified salaries	34,572,517	37,411,909	37,176,399	235,510
Employee benefits	50,098,841	51,582,293	50,640,844	941,449
Books and supplies	15,207,197	12,218,999	7,796,950	4,422,049
Services and other operating expenditures	21,281,938	26,892,359	23,125,448	3,766,911
Capital outlay	550,000	460,305	394,772	65,533
Other outgo	4,650,348	3,617,253	3,845,125	(227,872)
Total expenditures	199,413,209	209,735,565	200,576,329	9,159,236
Excess (deficiency) of revenues over expenditures	(4,979,773)	886,882	9,532,520	8,645,638
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(3,766,198)	(3,331,287)	(3,331,287)	-
Total other financing sources (uses)	(3,766,198)	(3,331,287)	(3,331,287)	-
Net change in fund balances	(8,745,971)	(2,444,405)	6,201,233	8,645,638
Fund balances, July 1, 2021	46,221,191	46,221,191	46,221,191	-
Fund balances, June 30, 2022	$ 37,475,220	$ 43,776,786	$ 52,422,424	$ 8,645,638

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalPERS	June 30, 2014 (1)	June 30, 2015 (1)	June 30, 2016 (1)	June 30, 2017 (1)	June 30, 2018 (1)	June 30, 2019 (1)	June 30, 2020 (1)	June 30, 2021 (1)
Proportion of the net pension liability (asset)	0.17824%	0.18521%	0.18479%	0.19903%	0.20463%	0.21075%	0.21306%	0.21763%
Proportionate share of the net pension liability (asset)	$ 20,235,018	$ 27,300,522	$ 36,496,554	$ 47,513,456	$ 54,559,869	$ 61,422,330	$ 65,373,957	$ 44,254,621
Covered payroll (2)	$ 18,188,183	$ 20,373,259	$ 18,911,499	$ 22,695,190	$ 23,208,050	$ 26,735,718	$ 38,543,903	$ 28,211,659
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%	156.87%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%	80.97%
Proportionate share of aggregate employer contributions (3)	$ 2,140,931	$ 2,413,620	$ 2,626,429	$ 3,524,790	$ 4,191,838	$ 5,272,551	$ 7,978,588	$ 6,463,291

STRS	June 30, 2014 (1)	June 30, 2015 (1)	June 30, 2016 (1)	June 30, 2017 (1)	June 30, 2018 (1)	June 30, 2019 (1)	June 30, 2020 (1)	June 30, 2021 (1)
Proportion of the net pension liability (asset)	0.11457%	0.11719%	0.11438%	0.11300%	0.11955%	0.12176%	0.12994%	0.13306%
Proportionate share of the net pension liability (asset)	$ 66,950,663	$ 78,893,947	$ 92,515,407	$ 104,506,132	$ 109,876,848	$ 109,965,686	$ 125,921,861	$ 60,555,058
Covered payroll (2)	$ 47,409,009	$ 45,013,458	$ 48,622,814	$ 52,213,021	$ 56,407,586	$ 62,306,667	$ 78,761,591	$ 80,676,797
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%	75.06%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%
Proportionate share of aggregate employer contributions (3)	$ 4,209,920	$ 4,829,944	$ 6,116,750	$ 7,534,339	$ 9,183,155	$ 10,654,440	$ 12,719,997	$ 13,650,514

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered payroll is the payroll on which contributions to a pension plan are based.

(3) The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalPERS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)	Fiscal Year 2020-21 (1)	Fiscal Year 2021-22 (1)
Contractually required contribution (2)	$ 2,140,931	$ 2,413,620	$ 2,626,429	$ 3,524,790	$ 4,191,838	$ 5,272,551	$ 7,978,588	$ 6,463,291
Contributions in relation to the contractually required contribution (2)	(2,184,216)	(2,628,697)	(3,493,497)	(3,888,696)	(5,318,906)	(6,089,060)	(6,511,965)	(7,960,480)
Contribution deficiency (excess)	$ (43,285)	$ (215,077)	$ (867,068)	$ (363,906)	$ (1,127,068)	$ (816,509)	$ 1,466,623	$ (1,497,189)
Covered payroll (3)	$ 18,188,183	$ 20,373,259	$ 18,911,499	$ 22,695,190	$ 23,208,050	$ 26,735,718	$ 38,543,903	$ 28,211,659
Contributions as a percentage of covered payroll (3)	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%

STRS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)	Fiscal Year 2020-21 (1)	Fiscal Year 2021-22 (1)
Contractually required contribution (2)	$ 4,209,920	$ 4,829,944	$ 6,116,750	$ 7,534,339	$ 9,183,155	$ 10,654,440	$ 12,719,997	$ 13,650,514
Contributions in relation to the contractually required contribution (2)	(4,226,011)	(6,138,654)	(7,678,654)	(8,784,508)	(10,945,270)	(11,897,363)	(11,570,162)	(12,703,843)
Contribution deficiency (excess)	$ (16,091)	$ (1,308,710)	$ (1,561,904)	$ (1,250,169)	$ (1,762,115)	$ (1,242,923)	$ 1,149,835	$ 946,671
Covered payroll (3)	$ 47,409,009	$ 45,013,458	$ 48,622,814	$ 52,213,021	$ 56,407,586	$ 62,306,667	$ 78,761,591	$ 80,676,797
Contributions as a percentage of covered payroll (3)	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	$ 151,046	$ 155,200	$ 166,717	$ 207,668	$ 214,889
Interest	99,623	97,554	106,036	53,490	57,484
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	(142,628)	-	432,252
Changes of assumptions	-	75,783	(685,876)	7,343	(281,354)
Benefit payments	(87,488)	(90,988)	(92,914)	(33,000)	(51,394)
Net change in total OPEB liability	163,181	237,549	(648,665)	235,501	371,877
Total OPEB liability - beginning	2,591,965	2,755,146	2,992,695	2,344,030	2,579,531
Total OPEB liability - ending (a)	$ 2,755,146	$ 2,992,695	$ 2,344,030	$ 2,579,531	$ 2,951,408
Plan fiduciary net position					
Contributions - employer	$ 87,488	$ 90,988	$ 92,914	$ 33,000	$ 51,394
Net investment income	-	-	-	-	-
Benefit paymens	(87,488)	(90,988)	(92,914)	(33,000)	(51,394)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	$ -	$ -
District's net OPEB liability - ending (a) - (b)	$ 2,755,146	$ 2,992,695	$ 2,344,030	$ 2,579,531	$ 2,951,408
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered-employee payroll	$ 74,908,211	$ 79,615,636	$ 89,042,385	$ 117,305,494	$ 108,888,456
District's net OPEB liability as a percentage of covered-employee payroll	4%	4%	3%	2%	3%

PURPOSE OF SCHEDULES

A. Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP) and Actual – General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B. Schedule of Proportionate Share of the Net Pension Liability

Benefit Changes
There were no changes in benefits during the year.

Changes in Assumptions
There were no changes of assumptions.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

C. Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

	CalPERS	STRS
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

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

Benefit Changes
There were no changes in benefits during the year.

Changes in Assumptions
The discount rate changed from 2.16% to 3.54%.

Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

Actuarial cost method	Entry age
Amortization method	Level percent of pay
Amortization period	15.7 years
Asset valuation method	There are no plan assets.
Healthcare cost trend rates	4.00%
Inflation	2.50%
Salary increases	2.75%
Investment rate of return	3.54%
Mortality	
Certificated	2020 CalSTRS Mortality
Classified	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Experience studies	
Retirement	
Certificated	2020 CalSTRS 2.0%@60 Rates 2020 CalSTRS 2.0%@62 Rates
Classified	2017 CalPERS 2.0%@55 Rates for Schools Employees 2017 CalPERS 2.0%@62 Rates for Schools Employees
Turnover	
Certificated	2020 CalSTRS Termination Rates
Classified	2017 CalPERS Termination Rates for School Employees

SUPPLEMENTARY INFORMATION

SAN MATEO UNION HIGH SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2022

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Foundation Special Revenue Fund	Capital Facilities Fund	Special Reserve Fund For Capital Outlay Projects	Foundation Permanent Fund	Total
ASSETS									
Cash and cash equivalents	$ 1,288,416	$ 7,592,398	$ 2,223,832	$ 2,721,510	$ 1,008,197	$ 11,563,772	$ 5,805,925	$ 1,251,526	$ 33,455,576
Accounts receivable	9,243	279,329	718,329	7,370	2,785	39,323	14,849	3,422	1,074,650
Due from other funds	-	5,944	888	-	-	-	-	-	6,832
Total assets	$ 1,297,659	$ 7,877,671	$ 2,943,049	$ 2,728,880	$ 1,010,982	$ 11,603,095	$ 5,820,774	$ 1,254,948	$ 34,537,058
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	$ 18,798	$ 309,313	$ 74,536	$ 6,381	$ 1,266	$ 147,790	$ -	$ -	$ 558,084
Unearned revenue	-	97,184	-	-	-	-	-	-	97,184
Due to other funds	5	1,274	95,841	-	4	-	-	-	97,124
Total Liabilities	18,803	407,771	170,377	6,381	1,270	147,790	-	-	752,392
Fund balances									
Restricted	1,278,856	912,056	2,772,672	-	717,565	4,578,186	2,028,977	-	12,288,312
Committed	-	6,557,844	-	2,722,499	292,147	6,877,119	3,791,797	1,254,948	21,496,354
Total Fund Balance	1,278,856	7,469,900	2,772,672	2,722,499	1,009,712	11,455,305	5,820,774	1,254,948	33,784,666
Total liabilities and fund balances	$ 1,297,659	$ 7,877,671	$ 2,943,049	$ 2,728,880	$ 1,010,982	$ 11,603,095	$ 5,820,774	$ 1,254,948	$ 34,537,058

SAN MATEO UNION HIGH SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Student Activity Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Foundation Special Revenue Fund	Capital Facilities Fund	Special Reserve Fund For Capital Outlay Projects	Foundation Permanent Fund	Total
REVENUES									
Federal revenue	$ -	$ 526,261	$ 4,274,759	$ -	$ -	$ -	$ -	$ -	$ 4,801,020
Other state revenues	-	5,269,929	892,213	-	160	-	-	-	6,162,302
Other local revenues	1,435,725	239,044	60,452	25,992	286,743	1,711,435	670,850	12,038	4,442,279
Total revenues	1,435,725	6,035,234	5,227,424	25,992	286,903	1,711,435	670,850	12,038	15,405,601
EXPENDITURES									
Certificated salaries	2,900	2,335,775	-	-	2,700	-	-	-	2,341,375
Classified salaries	19,563	1,614,965	1,458,116	-	-	-	-	-	3,092,644
Employee benefits	3,426	1,612,707	674,306	-	507	-	-	-	2,290,946
Books and supplies	689,847	132,012	1,421,056	-	170,967	3,716	-	17,793	2,435,391
Services and other operating expenditures	593,043	286,107	173,901	29,581	105,367	-	-	50	1,188,049
Capital outlay	-	-	50,184	-	-	-	-	-	50,184
Other outgo	-	-	95,563	-	-	-	-	-	95,563
Total expenditures	1,308,779	5,981,566	3,873,126	29,581	279,541	3,716	-	17,843	11,494,152
Excess(deficiency) of revenues over expenditures	126,946	53,668	1,354,298	(3,589)	7,362	1,707,719	670,850	(5,805)	3,911,449
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	-	90,089	-	90,089
Total other financing sources (uses)	-	-	-	-	-	-	90,089	-	90,089
Net change in fund balances	126,946	53,668	1,354,298	(3,589)	7,362	1,707,719	760,939	(5,805)	4,001,538
Fund balances, July 1, 2021	1,151,910	7,416,232	1,418,374	2,726,088	1,002,350	9,747,586	5,059,835	1,260,753	29,783,128
Fund balances, June 30, 2022	$ 1,278,856	$ 7,469,900	$ 2,772,672	$ 2,722,499	$ 1,009,712	$ 11,455,305	$ 5,820,774	$ 1,254,948	$ 33,784,666

SAN MATEO UNION HIGH SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2022

The San Mateo Union High School District was established on July 26, 1902 and is located in San Mateo County. There were no changes in the boundaries of the District in the current year. The District operates six high schools, one continuation high school, and an adult education school.

GOVERNING BOARD

Name	Office	Term Expires December
Peter Hanley	President	2022
Linda Lees Dwyer	Vice-President	2022
Greg Land	Clerk	2022
Ligia Andrade Zuniga	Trustee	2024
Robert Griffin	Trustee	2024

ADMINISTRATION

Kevin Skelly, Ph.D.
Superintendent (through June 30, 2022)

Randall Booker
Superintendent (beginning July 1, 2022)

Yancy Hawkins
Associate Superintendent Chief Business Official

Kirk Black, Ed.D.
Deputy Superintendent, Human Resources and Student Services

Julia Kempkey
Assistant Superintendent, Curriculum & Instruction

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Second Period Report	Annual Report
Secondary:		
Ninth through Twelfth	8,164.96	8,287.04
Special Education	54.07	52.35
Totals	8,219.03	8,339.39

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Site	Grade Level	Standard Minutes Requirement	2021-22 Actual Minutes	Instructional Days	Status
Aragon High School	Grades 9 -12	64,800	64,825	180	In compliance
Burlingame High School	Grades 9 -12	64,800	64,860	180	In compliance
Capuchino High School	Grades 9 -12	64,800	65,080	180	In compliance
Hillsdale High School	Grades 9 -12	64,800	64,812	180	In compliance
Mills High School	Grades 9 -12	64,800	65,055	180	In compliance
San Mateo High School	Grades 9 -12	64,800	64,860	180	In compliance

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Charter Schools Chartered by District	Included in District Financial Statements, or Separate Report
Design Tech Charter School #1647	Separately Reported

SAN MATEO UNION HIGH SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund
Balance, June 30, 2022, Annual Financial and Budget Report	$ 52,421,394
Increase/(decrease) in:	
Cash with Fiscal Agent/Trustee	1,030
Balance, June 30, 2022, Audited Financial Statements	$ 52,422,424

There were no adjustments to any of the other funds of the District.

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Assistance Listing Number	Grantor and Program Title	Pass Through Entity Identifying Number		Federal Expenditures
	U.S. Department of Education			
	Passed through California Department of Education			
	Special Education Cluster (IDEA)			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	*	$ 1,778,945
84.027	Special Education: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	*	9,161
84.027	Special Education: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	10119	*	167,773
	Special Education Cluster (IDEA) Total			1,955,879
	Adult Education Cluster			
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508		344,491
84.002	Adult Education: Adult Secondary Education (Section 231)	13978		61,773
84.002A	Adult Education: English Literacy & Civics Education - Local Grant	14109		119,997
	Adult Education Cluster Total			526,261
	Title III Cluster			
84.365	ESEA (ESSA): Title III, Immigrant Student Program	15146		18,327
84.365	ESEA (ESSA): Title III, English Learner Student Program	14346		114,042
	Title III Cluster Total			132,369
	Title I Cluster			
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	14329		366,388
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438		120,019
	Title I Cluster Total			486,407
	Education Stabilization Fund (ESF) Cluster			
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund	15536	*	42
84.425D	Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	*	373,384
84.425	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	15618	*	915,200
84.425	Expanded Learning Opportunities (ELO) Grant GEER II	15619	*	210,047
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	15620	*	596,604
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	15621	*	1,028,443
	Education Stabilization Fund (ESF) Cluster Total			3,123,720
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341		138,540
84.048	Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	14894		144,214
84.158	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006		265,037
	Total U.S. Department of Education			6,772,427

(continued)

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Assistance Listing Number	Grantor and Program Title	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency			
N/A	EPA Environmental Education & Community Awareness Project	10048	$ 3,756
	Total U.S. Environmental Protection Agency		3,756
U.S. Department of Agriculture			
Passed through California Department of Education			
10.555	Child Nutrition: School Programs (NSL Sec 11)	13524	3,873,124
10.555	Child Nutrition - Nonmonetary Assistance	13524	88,144
	Total Child Nutrition Cluster		3,961,268
	Total U.S. Department of Agriculture		3,961,268
	Total Federal Programs		$ 10,737,451

* Tested as a major program

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Adopted Budget 2022/2023	Actuals 2021/2022	Actuals 2020/2021	Actuals 2019/2020
General Fund				
Revenues and Other Financial Sources	$ 209,099,596	$ 210,108,849	$ 200,047,559	$ 179,611,741
Expenditures	203,883,117	200,576,329	179,480,156	175,678,822
Other Uses and Transfers Out	3,820,160	3,331,287	4,002,324	4,233,755
Total Outgo	207,703,277	203,907,616	183,482,480	179,912,577
Change in Fund Balance	1,396,319	6,201,233	16,565,079	(300,836)
Ending Fund Balance	$ 53,818,743	$ 52,422,424	$ 46,221,191	$ 29,656,112
Available Reserves	$ 6,276,848	$ 6,164,007	$ 5,564,474	$ 5,398,022
Reserve for Economic Uncertainties	$ 6,276,848	$ 6,164,007	$ 5,564,474	$ 5,398,022
Undesignated Fund Balance	$ -	$ -	$ -	$ -
Available Reserves as a Percentage of Total Outgo	3%	3%	3%	3%
All Funds				
Total Long-Term Debt	$ 880,288,205	$ 916,024,266	$ 1,009,182,421	$ 895,199,558
Average Daily Attendance at P-2	8,368	8,219	8,790	8,787

*Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund

The general fund balance has increased by $22,766,312 over the past three years. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District had incurred an operating surplus in the 2021-22 and 2020-21 fiscal years, and an operating deficit in the 2019-20 fiscal year; and anticipates a surplus in the 2022-23 fiscal year.

Total long-term liabilities have increased by $13,734,708 over the past two years due to the addition of G.O. Bonds and increase of the net pension liability.

Average Daily Attendance (ADA) has decreased by 568 over the past two years. An increase of 149 ADA is projected for the 2022-23 fiscal year.

1. 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 school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

2. Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

3. Schedule of Charter Schools

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

4. Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

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

5. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. The April 2022 Edition of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following schedule provides a reconciliation between federal revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards:

5. Schedule of Expenditures of Federal Awards (continued)

	Assistance Listing Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 11,695,251
Reconciling items		
Child Nutrition: School Programs (NSL Sec 11)	10.555	(130,822)
SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.555	(49,702)
Supply Chain Assistance (SCA) Funds	10.555	(218,048)
Food Distribution - Commodities	10.555	88,144
Pandemic EBT Local Administrative Grant	10.649	(3,063)
EPA Environmental Education & Community Awareness Project	N/A	(11,517)
IRS Bond Interest Subsidies	N/A	(632,792)
Total Schedule of Expenditures of Federal Awards		$ 10,737,451

6. 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.

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education
San Mateo Union High School District
San Mateo, California

Report on Compliance

Opinion

We have audited the San Mateo Union High School District (the "District") compliance with the requirements specified in the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, San Mateo Union High School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Local Education Agencies Other Than Charter Schools

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes

Local Education Agencies Other Than Charter Schools	
Description	**Procedures Performed**
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below

School Districts, County Offices of Education, and Charter Schools	
Description	**Procedures Performed**
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
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
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In-Person Instruction Grant	Yes

Charter Schools	
Description	**Procedures Performed**
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures for Kindergarten Continuance or K-3 Grade Span Adjustment because these grade levels are not offered by the District.

We did not perform any procedures related to California Clean Energy Jobs Act because the District already submitted the final project completion in a previous year.

We did not perform any procedures related to Early Retirement Incentive, Juvenile Court Schools, Apprenticeship: Related and Supplemental Instruction, District of Choice, After/Before School Education and Safety Program, and Independent Study-Course Based because the District did not offer these programs in the current year.

We did not perform any procedures related to Immunizations as the District did not have any Kindergarten or 7th grade students subject.

We did not perform any procedures related to Charter School Attendance, Mode of Instruction, Nonclassroom-Based Instruction/Independent Study, Determination of Funding for Nonclassroom-Based Instruction, Annual Instructional Minutes-Classroom-Based, and Charter School Facility Grant Program because the charter school that the District sponsors (Design Tech High) is reported separately.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 9, 2022

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

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 Education
San Mateo Union High School District
San Mateo, 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 San Mateo Union High School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise San Mateo Union High School District 's basic financial statements, and have issued our report thereon dated December 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. 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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 9, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Education
San Mateo Union High School District
San Mateo, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Mateo Union High School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the April 2022 Edition of the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the April 2022 Edition of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of San Mateo Union High School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 9, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 9, 2022

FINDINGS AND RECOMMENDATIONS

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified			
Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?		Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a)?		Yes	X	No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.425, 84.425D	Education Stabilization Fund (ESF) Cluster
84.027	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

State Awards

Type of auditor's report issued on compliance for state programs:	Unmodified			
Internal control over state programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?		Yes	X	None reported

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

No matters were reported.

SAN MATEO UNION HIGH SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Findings and Recommendations	Current Status	Explanation If Not Implemented
Internal Controls		
2021-01 Payroll (30000)	Implemented	N/A
Two employees were found to have underpayments during the 2020-21 fiscal year. Longevity credits were not paid in time. Personnel action forms should be used for all payroll related changes. The form should be signed by the employee and a supervisor. These change forms should immediately be delivered to the appropriate department so the changes can be implemented in the appropriate pay period.		
2021-02 Associated Student Body (30000)	Implemented	N/A
Receipts were not being logged or time stamped. We recommend that all cash and checks be recorder into a log and/or prenumbered receipts book. Receipts should be issued for all cash and check collections and turned into the student body bookkeeper.		
Additionally, student store inventories are not being reviewed. Inventories should be reviewed periodically to determine propriety as to character and quantities.		