NEW ISSUE—FULL BOOK-ENTRY

RATINGS: S&P: "AA+" Moody's "Aaa"
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$150,000,000
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
Election of 2020 General Obligation Bonds, Series B

Dated: Date of Delivery **Due: August 1, as shown on the inside cover**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page but not otherwise defined will have the meanings assigned thereto as provided in the Official Statement.

The San Mateo-Foster City School District (San Mateo County, California) Election of 2020 General Obligation Bonds, Series B (the "Bonds"), were authorized at an election of the registered voters of the San Mateo-Foster City School District (the "District") held on November 3, 2020, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of $409,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of San Mateo County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), upon all property subject to taxation by the District, for the payment of the principal of and interest on the Bonds when due.

The Bonds will be dated as of their date of initial delivery, and will be issued as current interest bonds such that interest thereon will accrue from such initial delivery date and be payable semiannually. Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2023. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

The Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as further described herein.

Maturity Schedule
(see inside front cover page)

The Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed on for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. Certain matters will be passed on for the Underwriters by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about April 18, 2023.

STIFEL PIPER | SANDLER

This Official Statement is dated March 28, 2023.

MATURITY SCHEDULE

Base CUSIP[1]: 799055

$150,000,000
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
Election of 2020 General Obligation Bonds, Series B

$69,025,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] Suffix
2024	$8,970,000	5.000%	2.310%	TK4
2025	7,300,000	5.000	2.200	TL2
2033	1,590,000	5.000	2.160[2]	TY4
2034	1,975,000	5.000	2.240[2]	TM0
2035	2,395,000	5.000	2.380[2]	TN8
2036	2,850,000	5.000	2.540[2]	TP3
2037	3,340,000	5.000	2.680[2]	TQ1
2038	3,870,000	5.000	2.810[2]	TR9
2039	4,445,000	5.000	2.940[2]	TS7
2040	5,065,000	5.000	3.070[2]	TT5
2041	5,730,000	5.000	3.150[2]	TU2
2042	6,445,000	4.000	3.770[2]	TV0
2043	7,150,000	4.000	3.840[2]	TW8
2044	7,900,000	4.000	3.930[2]	TX6

$40,175,000 – 4.000% Term Bonds due August 1, 2048 – Yield: 4.080%; CUSIP[1] Suffix: TZ1

$40,800,000 – 4.000% Term Bonds due August 1, 2051 – Yield: 4.110%; CUSIP[1] Suffix: UA4

---

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Underwriters, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Yield to call at par on August 1, 2032.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriters have provided the following sentence for inclusion in this Official Statement: "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The District maintains a website and certain social media accounts. However, the information presented on the District's website and such accounts is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

District Administration

Diego R. Ochoa, *Superintendent*
Patrick Gaffney, *Deputy Superintendent and Chief Business Official*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (cont'd)

Page

$150,000,000
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
Election of 2020 General Obligation Bonds, Series B

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of San Mateo-Foster City School District (San Mateo County, California) Election of 2020 General Obligation Bonds, Series B (the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The San Mateo-Foster City School District (the "District") is a community funded district (as described herein), located in the greater San Francisco Bay Area of Northern California, serves the communities of San Mateo and Foster City, as well as certain unincorporated areas in the central portion of San Mateo County (the "County"). The District operates 16 elementary schools (grades K-5), including one Montessori school (K-5), two K-8 schools, including one Montessori school (grades K-8), and three middle schools (grades 6-8), as well as preschool programs. The 2022-23 assessed valuation of the area served by the District is $49,290,348,671. The District's average daily attendance for fiscal year 2021-22 was 9,632. The District's approved budgeted for fiscal year 2022-23 projects an average daily attendance for fiscal year 2022-23 of 9,171.

The District is governed by a five-member Board of Trustees (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other personnel. Diego R. Ochoa is currently the District Superintendent.

See "TAX BASE FOR REPAYMENT OF BONDS" herein for more information regarding the District's assessed valuation, and "DISTRICT FINANCIAL INFORMATION" and "SAN MATEO-FOSTER CITY SCHOOL DISTRICT" herein for more information regarding the District generally. The District's audited financial statements for the fiscal year ended June 30, 2022 are attached hereto as APPENDIX B and should be read in their entirety.

Purpose of the Bonds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of the District sites and facilities, and (ii) pay the costs of issuing the Bonds.

See also "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and pursuant to a resolution adopted by the District Board on January 26, 2023. See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County (the "County Board") is empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), who will act as securities depository for the Bonds. See "THE BONDS – General Provisions" and "– Book-Entry Only System" herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (as defined herein). See "THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bondowners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and in APPENDIX A, attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiples thereof.

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of their date of initial delivery (the "Date of Delivery") and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on each February 1 and August 1 of each year (each, a "Bond Payment Date"), commencing August 1, 2023. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel") under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California ("State") personal income tax. See "TAX MATTERS" with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about April 18, 2023 (the "Closing Date").

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other considerations related thereto, see "TAX BASE FOR REPAYMENT OF BONDS", "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19", and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events. The specific nature of the information to be made available and of the notices of listed events is summarized below under "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Keygent LLC, El Segundo, California is acting as Municipal Advisor to the District with respect to the Bonds. Norton Rose Fulbright US LLP, Los Angeles, California, is acting as counsel to the Underwriters (as defined herein) with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation and Keygent LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriters on matters unrelated to the Bonds or the District.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENTS OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the San Mateo-Foster City School District, 1170 Chess Drive, Foster City, California 94404. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Section 53506 *et seq.*, as amended, Article XIIIA of the California Constitution, other applicable law, and pursuant to a resolution of the Board adopted on January 26, 2023 (the "Resolution"). The District received authorization at an election held on November 3, 2020 by the requisite fifty-five percent of the votes cast by eligible voters within the District to issue $409,000,000 aggregate principal amount of general obligation bonds (the "2020 Authorization"). On March 24, 2021 the District issued its Election of 2020 General Obligation Bonds, Series A in the aggregate principal amount of $100,000,000 (the "Series A Bonds"). The Bonds are the second series of bonds issued under the 2020 Authorization, and following the issuance thereof, $159,000,000 of the 2020 Authorization will remain unissued.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. The levy may include allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. Such taxes, when collected, will be placed in the Debt Service Fund (defined herein), which is required to be segregated and maintained by the County and which is designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, none of the Bonds are a debt of the County.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), the outbreak of disease, climate change, or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire (including wildfire), drought, landslide, sea level rise, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND

APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Statutory Liens

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds. The Bonds will be dated as of the Date of Delivery.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on each Bond Payment Date, commencing August 1, 2023. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2023, in which event it shall bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover page hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds.

Application and Investment of Bond Proceeds

The proceeds of the sale from the Bonds, net of costs of issuance and any premium received upon the sale thereof, will be deposited by the County Treasurer to the credit of the building fund created by the Resolution (the "Building Fund"), and will be applied solely for the purposes for which the Bonds are being issued. Interest earnings in the Building Fund will be retained therein.

The *ad valorem* property taxes levied by the County Treasurer for the payment of the Bonds, when collected, are required to be held separate and apart by the County Treasurer in a debt service fund created by the Resolution (the "Debt Service Fund"), and used only for payment of principal of and interest on the Bonds, and for no other purpose. Accrued interest and any premium received upon the sale of the Bonds will be deposited into the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Investment of Funds. Subject to federal tax restrictions, moneys in the Building Fund and the Debt Service Fund held by the County are permitted to be invested at the County Treasurer's discretion pursuant to law and the investment policy of the County. Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – SAN MATEO COUNTY TREASURY POOL" attached hereto.

[REMAINDER OF PAGE LEFT BLANK]

Annual Debt Service

The following table shows the annual debt service requirements of the Bonds (assuming no optional redemptions).

Year Ending Aug. 1	Annual Principal Payment	Annual Interest Payment[(1)]	Total Debt Service
2023	--	$1,852,655.28	$1,852,655.28
2024	$8,970,000.00	6,475,300.00	15,445,300.00
2025	7,300,000.00	6,026,800.00	13,326,800.00
2026	--	5,661,800.00	5,661,800.00
2027	--	5,661,800.00	5,661,800.00
2028	--	5,661,800.00	5,661,800.00
2029	--	5,661,800.00	5,661,800.00
2030	--	5,661,800.00	5,661,800.00
2031	--	5,661,800.00	5,661,800.00
2032	--	5,661,800.00	5,661,800.00
2033	1,590,000.00	5,661,800.00	7,251,800.00
2034	1,975,000.00	5,582,300.00	7,557,300.00
2035	2,395,000.00	5,483,550.00	7,878,550.00
2036	2,850,000.00	5,363,800.00	8,213,800.00
2037	3,340,000.00	5,221,300.00	8,561,300.00
2038	3,870,000.00	5,054,300.00	8,924,300.00
2039	4,445,000.00	4,860,800.00	9,305,800.00
2040	5,065,000.00	4,638,550.00	9,703,550.00
2041	5,730,000.00	4,385,300.00	10,115,300.00
2042	6,445,000.00	4,098,800.00	10,543,800.00
2043	7,150,000.00	3,841,000.00	10,991,000.00
2044	7,900,000.00	3,555,000.00	11,455,000.00
2045	8,705,000.00	3,239,000.00	11,944,000.00
2046	9,560,000.00	2,890,800.00	12,450,800.00
2047	10,470,000.00	2,508,400.00	12,978,400.00
2048	11,440,000.00	2,089,600.00	13,529,600.00
2049	12,470,000.00	1,632,000.00	14,102,000.00
2050	13,575,000.00	1,133,200.00	14,708,200.00
2051	14,755,000.00	590,200.00	15,345,200.00
Total	$150,000,000.00	$125,817,055.28	$275,817,055.28

____
(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2023.

See also "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a full debt service schedule for all of the District's general obligation bonded debt.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2025 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after August 1, 2033 may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 2032 or on any date thereafter, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 2048 (the "2048 Term Bonds") are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2045, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount of the 2048 Term Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table.

Redemption Date (August 1)	**Principal Amount**
2045	$8,705,000
2046	9,560,000
2047	10,470,000
2048[1]	11,440,000
Total:	$40,175,000

(1) Maturity.

In the event that a portion of the 2048 Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such 2048 Term Bonds optionally redeemed.

The Bonds maturing on August 1, 2051 (the "2051 Term Bonds") are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2049, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount of the 2051 Term Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table.

Redemption Date (August 1)	**Principal Amount**
2049	$12,470,000
2050	13,575,000
2051[1]	14,755,000
Total:	$40,800,000

(1) Maturity.

In the event that a portion of the 2051 Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such 2051 Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all Bonds of a series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent, shall select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that, with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in a principal amount of $5,000, or any integral multiple thereof.

Redemption Notice. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance," the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in "—Defeasance," and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Rescission of Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance," such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none of the District, the Municipal Advisor or the Underwriters take any responsibility for the accuracy or completeness thereof. The District and the Underwriters cannot and do not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest on, principal of or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participant in connection with such transfers or exchanges.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to the Owners thereof.

Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, exchange and replacement of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Dallas, Texas. Interest on the Bonds will be paid by the Paying Agent by wire to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like series tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the bond register only upon presentation and surrender of the Bonds at the designated office of the Paying Agent, together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor, series, and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date, or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date, or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds of each series may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal thereof, accrued interest thereon and redemption premiums, if any, at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all principal thereof, accrued interest thereon and redemption premiums, if any, at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such outstanding Bonds designated for defeasance shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed by S&P Global Ratings ("S&P") or Moody's Investors Service ("Moody's") at least as high as direct and general obligations of the United States of America.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds	
Principal Amount of Bonds	$150,000,000.00
Net Original Issue Premium	5,368,878.55
Total Sources	$155,368,878.55
Uses of Funds	
Deposit to Building Fund	$149,653,000.00
Deposit to Debt Service Fund	4,806,378.55
Costs of Issuance[1]	347,000.00
Underwriters' Discount	562,500.00
Total Uses	$155,368,878.55

(1) Reflects all costs of issuance, including but not limited to the credit rating fees, printing costs, legal and Municipal Advisory fees, and the costs and fees of the Paying Agent. See also "MISCELLANEOUS – Underwriting" herein.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from* ad valorem *property taxes. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same rolls as special district property taxes. Assessed valuations are the same for both the District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a minimum 10% penalty attaches to any delinquent installment plus a $10 cost on the second installment, plus any additional amount determined by the County Treasurer. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. Information regarding District-wide tax delinquencies is not currently available. See also "—Alternative Method of Tax Apportionment – Teeter Plan" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein.

Property within the District had a total assessed valuation for fiscal year 2022-23 of $49,290,348,671. The following table represents a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year:

ASSESSED VALUATION
Fiscal Years 2013-14 through 2022-23
San Mateo-Foster City School District

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change[1]
2013-14	$25,244,715,116	$747,980	$815,900,409	$26,061,363,505	--
2014-15	26,841,700,138	747,932	879,096,671	27,721,544,741	6.37%
2015-16	29,253,542,409	2,673,254	908,854,201	30,165,069,864	8.81
2016-17	31,738,553,850	2,673,169	892,785,575	32,634,012,594	8.18
2017-18	34,498,738,748	2,673,138	877,027,352	35,378,439,238	8.41
2018-19	37,322,829,391	2,673,097	961,776,232	38,287,278,720	8.22
2019-20	40,386,992,263	3,294,911	1,085,878,472	41,476,165,646	8.33
2020-21	43,531,380,922	3,294,898	1,018,462,320	44,553,138,140	7.42
2021-22	44,984,137,231	3,294,887	991,263,283	45,978,695,401	3.20
2022-23	48,298,822,934	3,294,855	988,230,882	49,290,348,671	7.20

(1) Provided by the Underwriters.
Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, the outbreak of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire (including wildfire), drought, flood, sea level rise, climate change, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" and "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

Seismic Events. Portions of the District are located within hazard areas identified by the Tsunami Hazard Area Map ("THAP") for the County. THAPs are produced jointly by the California Geological Survey (the "CGS") and the Governor's Office of Emergency Services to assist cities and counties identify potential areas of inundation and other damage related to a tsunami event. The District is also located in the San Francisco Bay Area, a seismically active region of the State, into which extend three major earthquake faults that comprise the San Andreas fault system (San Andreas Fault, Hayward Fault and Calaveras Fault). The San Andreas Fault crosses the center of the County. As a result, portions of the District, including all of Foster City, are located within earthquake hazard zones produced by the CGS that have identified possible liquefaction and landslide hazards. The San Andreas Fault has a 21 percent chance of generating a magnitude 6.7 or greater earthquake in the next 30 years. An earthquake of large magnitude or tsunami could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. In recent years California has experienced severe drought conditions. In January of 2014, the Governor declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's river and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021 the Governor expanded the declaration to further include an additional nine counties. On October 19, 2021, the Governor extended the declaration to include all remaining counties, such that the drought state of emergency is now in effect Statewide. On March 28, 2022, the Governor issued Executive Order N0-27-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

Wildfire. In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and summer of 2021. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

Sea Level Rise. The County initiated a study of the vulnerability of land in the County to risks resulting from potential sea level rise. The study was completed in March 2018 and titled "County of San Mateo Sea Level Rise Vulnerability Assessment" (the "Assessment"). The Assessment references and finds risk of potential impacts to property in the County in the event of various sea level rise scenarios. The Assessment provides for three sea level rise scenarios (a baseline scenario of a 1% annual chance flood (present-day extreme flood), a mid-level scenario of 1% chance flood + 3.3 feet of sea level rise and a high-end scenario of 1% annual flood + 6.6 feet of sea level rise) and a coastal erosion scenario of the projected extent of coastal erosion expected with 4.6 feet of sea level rise). The Assessment concludes that if the sea level were to rise to specific levels, the resulting flooding could damage infrastructure and property in the County. The Assessment concludes that the City of Foster City has 106 acres at risk of inundation in the baseline scenario, 2,630 acres at risk in mid-level scenario and 2,638 acres at risk in the high end scenario. The City of Foster City is protected by a levee, which the City is actively working to raise in order to achieve Federal emergency Management Agency accreditation and to protect against projected future sea level rise. The Assessment notes that a significant number of built and natural assets would be affected in the City of Foster City under the mid-level scenario should the levee be overtopped. The Assessment states that the total assessed value of parcels at risk in the mid-level scenario and the high-end scenario is $8.33 billion. The Assessment concludes that the City of San Mateo has 505 acres at risk of inundation in the baseline scenario, 3,132 acres in the mid-level scenario, and 3,411 acres in the high end scenario. In the mid-level scenario, the levees that protect the City of San Mateo and Foster City are overtopped, leading to overtopping of highway 101 and flooding of the Hayward Caltrain Station and surrounding areas. The Assessment states that the total assessed value of parcels at risk is $619 million in the baseline scenario, $8,049 in the mid-level scenario, and $8,404 in the high-end scenario. The Assessment is available on the County website (http://seachangesmc.com/vulnerability-assessment/) under the menu choice "Our Efforts: Sea Level Rise Vulnerability Assessment" for further information and evaluation, however, neither the Assessment nor the County's website is incorporated by reference herein.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and raising sea levels. See also "—Drought," "—Wildfires", and "Sea Level Rise" above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. The County Assessor may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, drought, fire, wildfire, or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under

Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals currently pending or in the future, actions by the County assessor, or other factors in the future will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities.

Assessed Valuation and Parcels by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2022-23.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2022-23
San Mateo-Foster City School District

Non-Residential:	**2022-23 Assessed Valuation**[1]	**% of Total**	**No. of Parcels**	**% of Total**
Commercial/Office	$8,949,729,695	18.53%	1,050	2.72%
Industrial	2,458,864,706	5.09	246	0.64
Recreational	68,430,138	0.14	79	0.20
Institutional	261,734,499	0.54	188	0.49
Miscellaneous	154,812,059	0.32	211	0.55
Subtotal Non-Residential	$11,893,571,097	24.62%	1,774	4.59%
Residential:				
Single Family Residence	$23,949,626,350	49.59%	26,121	67.54%
Condominium/Townhouse	6,026,135,848	12.48	8,957	23.16
Hotel/Motel	384,609,104	0.80	18	0.05
2-4 Residential Units	958,710,392	1.98	1,107	2.86
5+ Residential Units	4,931,832,377	10.21	409	1.06
Subtotal Residential	$36,250,914,071	75.06%	36,612	94.67%
Vacant Parcels	$154,337,766	0.32%	288	0.74%
Total	$48,298,822,934	100.00%	38,674	100.00%

(1) Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2022-23 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2022-23
San Mateo-Foster City School District

	No. of Parcels	2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	26,121	$23,949,626,350	$916,872	$774,488

2022-23 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	826	3.162%	3.162%	70,470,220	0.294%	0.294%
100,000 - 199,999	2,914	11.156	14.318	414,173,904	1.729	2.024
200,000 - 299,999	1,462	5.597	19.915	365,137,194	1.525	3.548
300,000 - 399,999	1,706	6.531	26.446	599,437,394	2.503	6.051
400,000 - 499,999	1,715	6.566	33.012	770,382,664	3.217	9.268
500,000 - 599,999	1,670	6.393	39.405	916,748,188	3.828	13.096
600,000 - 699,999	1,641	6.282	45.687	1,064,113,541	4.443	17.539
700,000 - 799,999	1,508	5.773	51.461	1,131,105,816	4.723	22.262
800,000 - 899,999	1,475	5.647	57.107	1,250,861,400	5.223	27.484
900,000 - 999,999	1,397	5.348	62.455	1,325,382,505	5.534	33.019
1,000,000 - 1,099,999	1,291	4.942	67.398	1,355,081,937	5.658	38.677
1,100,000 - 1,199,999	1,124	4.303	71.701	1,290,738,359	5.389	44.066
1,200,000 - 1,299,999	978	3.744	75.445	1,220,740,250	5.097	49.163
1,300,000 - 1,399,999	931	3.564	79.009	1,255,203,733	5.241	54.404
1,400,000 - 1,499,999	818	3.132	82.141	1,186,810,835	4.955	59.360
1,500,000 - 1,599,999	733	2.806	84.947	1,133,285,904	4.732	64.091
1,600,000 - 1,699,999	626	2.397	87.344	1,032,326,116	4.310	68.402
1,700,000 - 1,799,999	563	2.155	89.499	984,913,885	4.112	72.514
1,800,000 - 1,899,999	432	1.654	91.153	798,531,278	3.334	75.849
1,900,000 - 1,999,999	368	1.409	92.562	716,685,118	2.992	78.841
2,000,000 and greater	1,943	7.438	100.000	5,067,496,109	21.159	100.000
	26,121	100.000%		$23,949,626,350	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

[REMAINDER OF PAGE LEFT BLANK]

Assessed Valuation by Jurisdiction. The following table shows the assessed valuation by jurisdiction for fiscal year 2022-23.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2022-23
San Mateo-Foster City School District

Jurisdiction:	**Assessed Valuation in District**	**% of District**	**Assessed Valuation of Jurisdiction**	**% of Jurisdiction in District**
City of Foster City	$13,850,335,378	28.10%	$13,861,677,228	99.92%
City of San Mateo	33,881,825,249	68.74	34,579,166,760	97.98
Unincorporated San Mateo County	1,558,188,044	3.16	24,488,104,467	6.36
Total District	$49,290,348,671	100.00%		
San Mateo County	$49,290,348,671	100.00%	$288,439,496,973	17.09%

Source: California Municipal Statistics, Inc.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a "TRA") within the District during the five-fiscal year period from 2018-19 to 2022-23.

SUMMARY OF *AD VALOREM* TAX RATES
Fiscal Years 2018-19 through 2022-23
(TRA 12-001)[(1)]
San Mateo-Foster City School District

	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of San Mateo Bond	.0077	.0071	.0067	.0064	.0060
San Mateo-Foster City School District Bond	.0530	.0437	.0462	.0665	.0613
San Mateo Union High School District Bond	.0407	.0385	.0449	.0488	.0504
San Mateo Community College District Bond	.0175	.0266	.0213	.0227	.0193
Total	1.1189%	1.1159%	1.1191%	1.1444%	1.1370%

(1) 2022-23 assessed valuation of TRA 12-001 is $27,832,701,007, which is 56.47% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies, Collections and Delinquencies

Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year, and if unpaid, become delinquent after December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment plus a minimum $10 cost on the second installment, plus any additional amount determined by the Treasurer-Tax Collector of each county. See "– *Ad Valorem* Property Taxation" herein.

Pursuant to Revenue and Taxation Code Section 4985.2, the County Treasurer may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

In addition, on May 6, 2020, the Governor signed Executive Order N-61-20 ("Order N-61-20"). Under Order N-61-20, certain provisions of the Revenue and Taxation Code are suspended until May 6, 2021 to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent, subject to certain conditions set forth in in Order N-61-20. See "–Alternative Method of Tax Apportionment – Teeter Plan" below and "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

[REMAINDER OF PAGE LEFT BLANK]

The following table shows secured *ad valorem* property taxes for the payment of bonded indebtedness of the District, and amounts delinquent as of June 30, for fiscal years 2012-13 through 2021-22.

SECURED TAX CHARGES AND DELINQUENCY RATES
Fiscal Years 2012-13 through 2021-22
San Mateo-Foster City School District

Tax Year	Secured Tax Charge[1]	Amount Delinquent June 30	Percent Delinquent June 30
2012-13	$7,866,058.25	$48,412.39	0.62%
2013-14	10,544,800.37	45,855.12	0.43
2014-15	10,349,473.43	47,060.41	0.45
2015-16	11,699,289.75	42,337.65	0.36
2016-17	17,180,679.53	79,283.69	0.46
2017-18	18,628,307.39	54,802.84	0.29
2018-19	19,892,591.78	102,896.23	0.52
2019-20	17,588,487.36	104,642.56	0.59
2020-21	20,060,758.70	(86,093.18)	(0.43)
2021-22	29,808,357.02	48,405.91	0.16

(1) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

The County Board has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Revenue and Taxation Code Section 4701 *et seq.* of the. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency, or for which the County's treasury is the legal depository of the tax collections.

If the Teeter Plan remains in effect during the term of the Bonds, the District will receive 100% of the secured *ad valorem* property tax levied in the County to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County. The District can give no assurance that the Teeter Plan will remain in effect in its present form, or in any form, during the term of the Bonds.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1 for the County), the County Board receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in such county if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event the County Board is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2022-23 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

20 LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2022-23
San Mateo-Foster City School District

	Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total[1]
1.	Gilead Sciences Inc.	Industrial	$2,560,976,485	5.30%
2.	HSC Property Owner LLC	Shopping Center	581,300,000	1.20
3.	Bay Meadows Station 2, 3 & 4 Investors, LLC	Office Building	531,739,665	1.10
4.	Essex Portfolio LP	Apartments	476,650,621	0.99
5.	Franklin Templeton Corporate Services Inc.	Office Building	463,625,276	0.96
6.	BMR Lincoln Center LP	Industrial	369,819,236	0.77
7.	Hudson Metro Center LLC, Lessee	Office Building	359,407,669	0.74
8.	2000 Sierra Point Parkway LC	Office Building	336,377,132	0.70
9.	1825 SG Corporation	Office Building	282,767,026	0.59
10.	Visa USA Inc.	Office Building	242,601,156	0.50
11.	TR Parkside Towers Corp.	Office Building	236,807,528	0.49
12.	HG Clearview Owner LLC	Office Building	232,701,234	0.48
13.	ASN Bay Meadows I LLC & Bay Meadows II LLC	Apartments	227,165,105	0.47
14.	BEX FMCA LLC	Apartments	202,720,103	0.42
15.	Rakuten CHW LLC	Office Building	196,410,890	0.41
16.	Park Place Holdco LLC	Office Building	181,582,198	0.38
17.	Sobrato Interests 3	Office Building	178,638,630	0.37
18.	AREOF VI US Pilgrim Triton LLC	Apartments	172,131,498	0.36
19.	Hospitality Investment LLC, Lessee	Hotel	161,333,272	0.33
20.	SF Hillsdale 20102012 LLC	Apartments	160,179,128	0.33
			$8,154,933,852	16.88%

(1) 2022-23 local secured assessed valuation: $48,298,822,934.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of January 13, 2023, for debt issued as of February 1, 2023. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

[REMAINDER OF PAGE LEFT BLANK]

STATEMENT OF DIRECT AND OVERLAPPING DEBT
San Mateo-Foster City School District

2022-23 Assessed Valuation: $49,290,348,671

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 2/1/23**
San Mateo Community College District	17.089%	$121,133,261
San Mateo Union High School District	50.692	323,187,623
San Mateo-Foster City School District	**100.000**	**372,453,474**(1)
City of Foster City	99.918	77,101,725
City of San Mateo	97.983	14,325,115
City of San Mateo Community Facilities District No. 2008-1	100.000	72,345,000
Midpeninsula Regional Open Space Park District	0.006	4,961
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$980,551,159
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	17.089%	$102,383,051
San Mateo County Board of Education Certificates of Participation	17.089	1,109,076
City of San Mateo General Fund Obligations	97.983	60,416,318
Highland Recreation District General Fund Obligations	100.000	2,023,000
Midpeninsula Regional Open Space Park District General Fund Obligations	0.006	5,584
San Mateo County Mosquito and Vector Control District General Fund Obligations	17.089	618,251
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$166,555,280
Less: Highland Recreation District supported obligations		1,577,940
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$164,977,340
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to San Mateo Redevelopment Agency Tax Allocation Bonds	100.000%	$39,535,000
TOTAL OVERLAPPING TAX INCREMENT DEBT		$39,535,000
GROSS COMBINED TOTAL DEBT		$1,186,641,439(2)
NET COMBINED TOTAL DEBT		$1,185,063,499

Ratios to 2022-23 Assessed Valuation:

Direct Debt ($372,453,474).. 0.76%
Total Direct and Overlapping Tax and Assessment Debt...... 1.99%
Gross Combined Total Debt.. 2.41%
Net Combined Total Debt.. 2.40%

Ratio to 2022-23 Redevelopment Incremental Valuation ($2,801,983,750):

Overlapping Tax Increment Debt 1.41%

(1) Excludes the Bonds described herein.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. (See "THE BONDS – Security and Sources of Payment" herein) Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy* ad valorem *property taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by State voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature to change any State taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, voters in California approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIIIA to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is a basic aid district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION" herein.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines:

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for bonded debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.

Proposition 26

On November 2, 2010, State voters approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, State voters approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Propositions 98 and 111

On November 8, 1988, State voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The

Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. <u>Annual Adjustments to Spending Limit</u>. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. <u>Treatment of Excess Tax Revenues</u>. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into K-14 school district base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debt approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election would not exceed $60 (for a unified school district), $30 (for a high school or elementary school district, such as the District), or $25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor. See "— Article XIIIA of the California Constitution" herein.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by State voters on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State-mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies" herein.

Jarvis vs. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is an initiative that was approved by State voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional State grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school facilities ($500 million) and technical education facilities ($500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at $3 million for a new facility and $1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual State budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 26, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

[REMAINDER OF PAGE LEFT BLANK]

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District's general fund finances and the State funding of public education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or State Revenues. The Bonds shall be payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Beginning in fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See "—Local Control Funding Formula" herein.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

For fiscal year 2021-22, the Base Grants per unit of ADA for each grade span are as follows: (i) $8,935 for grades K-3; (ii) $8,215 for grades 4-6; (iii) $8,458 for grades 7-8; and (iv) $10,057 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also "—State Budget Measures" for information on the adjusted Base Grants provided by current budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals). AB 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

[REMAINDER OF PAGE LEFT BLANK]

The table below shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2013-14 through 2021-22, and budgeted amounts for fiscal year 2022-23.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2022-23
San Mateo-Foster City School District

	Average Daily Attendance(1)				Enrollment(2)	
Fiscal Year	K-3	4-6	7-8	Total ADA	Total Enrollment	% of EL/LI Enrollment(3)
2013-14	5,548	3,611	2,166	11,325	11,721	40.00%
2014-15	5,498	3,774	2,168	11,440	11,858	40.00
2015-16	5,473	3,816	2,294	11,583	11,977	39.27
2016-17	5,430	3,767	2,357	11,554	11,970	39.02
2017-18	5,365	3,665	2,395	11,425	11,837	38.77
2018-19	5,331	3,562	2,376	11,269	11,724	39.68
2019-20	5,266	3,557	2,331	11,154	11,576	39.94
2020-21(4)	5,266	3,557	2,331	11,154	10,969	53.67
2021-22	4,337	3,239	2,056	9,632	10,357	61.29
2022-23(5)	3,964	3,183	2,024	9,171	10,067	59.34

Note: ADA figures rounded to the nearest whole number.

(1) Except for fiscal year 2022-23, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020. See "-Considerations Regarding COVID-19" herein. Excludes County operated programs.

(2) Enrollment reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education. CALPADS figures exclude preschool and adult transitional students.

(3) For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students has been based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

(4) Pursuant to SB 98, the District's funded ADA for fiscal year 2020-21 was based on the District's 2019-20 ADA.

(5) Projected.

Source: San Mateo-Foster City School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of COLAs in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementation period of the LCFF. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total

LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Community Funded Districts. Certain school districts, known as "community funded" districts (previously known as "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocations, and result in the receipt of no State apportionment aid. Community funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District has been a community funded district since fiscal year 2016-17. For fiscal year 2018-19, the District's local property tax receipts exceeded the District's total LCFF allocation by $5,197,376. For fiscal year 2019-20, the District's local property tax receipts exceeded the District's total LCFF allocation by $9,537,409. For fiscal year 2020-21, the District's local property tax receipts exceeded the District's total LCFF allocation by $17,002,542. For fiscal year 2021-22, the District's local property tax receipts exceeded the District's total LCFF allocation by $16,023,737 and the District has projected that local property tax receipts will exceed the District's total LCFF allocation by $14,657,320 in fiscal year 2022-23.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, established a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a State agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized (i) to modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Other Revenue Sources

Federal and Local Sources. The federal government provides funding for several of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, the District receives additional local revenues beyond local property tax collections, such as leases and rentals, interest earnings, interagency services, developer fees (as discussed below), parcel tax revenues (as discussed below) and other local sources.

Parcel Tax. On June 4, 1991, voters within the District approved a special tax of $55 per parcel, adjusted annually by the San Mateo County Area Consumer Price Index, with no expiration date, with certain exemptions, to augment the District's operating budget (the "Measure B Parcel Tax").

On March 7, 2003 voters within the District approved a special tax of $75 per parcel, adjusted annually by the adjusted annually by the San Francisco – Oakland – San Jose Metropolitan Area Consumer Price Index, for seven years, with certain exemptions, to augment the District's operating budget (the "2003 Parcel Tax"), which was renewed on February 23, 2010. Pursuant to the February 23, 2010 ballot measure, the 2003 Tax increased by $96 per parcel to $180.85, beginning in fiscal year 2010-11 and expired in 2017, and was adjusted annually by the adjusted annually by the San Francisco – Oakland – San Jose Metropolitan Area Consumer Price Index to reflect changes in cost of living, during the term of the authorization. On November 6, 2018, the voters of the District approved a nine year $298 parcel tax (the "2018 Tax"), as adjusted annually by the San Mateo County Area Consumer Price Index, beginning July 1, 2019 and ending on June 30, 2028. A parcel tax a "special tax" under the California Constitution and required the approval of 2/3 of the voters voting on the measure. The purpose of the 2018 Parcel Tax is to raise funds to augment the operating budget of the District to retain instructional programs and ensure low class size.

Property owners who are 65 years and older, individuals receiving Supplemental Security Income for disability regardless of age, and individuals receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250% of the 2012 federal poverty guidelines, are eligible, upon application, for an exemption from the 2018 Parcel Tax.

For fiscal year 2020-21, the 1991 Parcel Tax is $119.10 per parcel and the 2018 Parcel is $305.45 per parcel. For fiscal year 2021-22, the 1991 Parcel Tax is $121.48 per parcel and the 2018 Parcel is $311.56 per parcel.

The revenues produced for the District by the 1991 Parcel Tax in fiscal year 2020-21 was $4,018,180, which represented about 2.3% of the total general fund revenues of the District in fiscal year 2020-21. The revenues produced for the District by the 1991 Parcel Tax in fiscal year 2021-22 was $4,095,004, which represented about 2.3% of the total general fund revenues of the District in fiscal year 2021-22. The projected revenues produced for the District by the 1991 Parcel Tax in fiscal year 2022-23 is expected to be $4,212,940, which is projected to represent about 0.2% of the total general fund revenues of the District in fiscal year 2022-23.

The revenues produced for the District by the 2018 Parcel Tax in fiscal year 2019-20 was $10,163,568, which represented about 6.56% of the total general fund revenues of the District in fiscal year 2019-20. The revenues produced for the District by the 2018 Parcel Tax in fiscal year 2020-21 was $10,381,106, which represented about 6.1% of the total general fund revenues of the District in fiscal year 2020-21. The revenues produced for the District by the 2018 Parcel Tax in fiscal year 2021-22 was $10,578,286, which represented about 6.0% of the total general fund revenues of the District in fiscal year 2021-22.

The projected revenues produced for the District by the 2018 Parcel Tax in fiscal year 2022-23 is expected to be $10,817,135, which is projected to represent about 5.7% of the total general fund revenues of the District in fiscal year 2022-23.

Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. For fiscal years 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22 the District received $1,327,921, $1,722,374, $1,130,775, $1,209,215, $1,152,546, $473,731, $1,526,823, $1,402,173 respectively, and the District has projected that it will receive $1,000,000 of such revenues in fiscal year 2022-23 in its adopted budget for fiscal year 2022-23.

Foundation. The San Mateo Foster City Education Foundation (the "Foundation") is an independent 501(c)(3) nonprofit corporation founded in 1992, providing financial support to the District. Under GASB rules, the Foundation is not a component unit of the District for financial reporting purposes. For fiscal years ending June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 the Foundation contributed $40,000, $57,027, $110,000, $90,000, $185,000, $1,297,222, $605,022. And $819,901 respectively, to the District. Funds received from the Foundation are deposited into the general fund of the District and earmarked for specific purposes.

Redevelopment Revenue. The District had redevelopment pass-through agreements with various agencies. Amounts received are deposited directly into the general fund of the District and offset State apportionment. For fiscal years 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22, the District received, $1,870,719, $2,280,329, $2,375,653, $3,111,792, $3,493,900, $3,688,865, $2,279,092, and $3,294,863 respectively, and the District's approved budget for fiscal year 2022-23 projects that it will receive $3,430,791 of such revenues in fiscal year 2022-23.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

Considerations Regarding COVID-19

General. An outbreak of disease or similar public health threat, such as the ongoing coronavirus ("COVID-19") pandemic, or fear of such an event, could have an adverse impact on the District's financial condition and operating results.

The spread of COVID-19 continues to have significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus.

To date there have been millions of confirmed cases in the United States, and over one million deaths related to COVID-19. Although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will continue to grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and significant increases in inflation as these restrictions and closures have been lifted. Stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Federal Response. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed by the President of the United States. The CARES Act appropriated over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. On December 27, 2020, the President of the United States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 ("CRRSA"), which included approximately $900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately $82 billion of COVID-19 related relief for education, including $54.3 billion for K-12 schools (largely through Title I funding), $22.7 billion for higher education and $4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American Rescue Plan Act of 2021 (the "American Rescue Plan"), which provides approximately $1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses.

State Response. In response to the COVID-19 pandemic, on March 17, 2020, Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117") were signed by the Governor, both of which took effect immediately. SB 89 amended the Budget Act of 2019 by appropriating $500,000,000 from the State general fund for any purpose related to the Governor's March 4, 2020 emergency proclamation. SB 117, among other things, (i) specified that for school districts that comply with Executive Order N–26–20, the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevented the loss of funding related to an instructional time penalty because of a school closed due to the COVID–19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID–19, (iii) required a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID–19, and (iv) appropriated $100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites. Additionally, the Governor, on March 4, 2021, signed into law Assembly Bill 86 ("AB 86"), urgency legislation which provided approximately $6.6 billion to accelerate the return of in-person school instruction and expand student support. See also "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

On June 29, 2020, Senate Bill 98 ("SB 98"), the education omnibus bill to the 2020-21 State budget, was signed by the Governor, which took effect immediately. SB 98 provided that distance learning could be offered by a school district during the 2020-21 academic year on a local educational agency or schoolwide level as a result of an order or guidance from a State public health officer or a local public health officer or for pupils who are medically fragile or would be put at risk by in-person instruction, or who are self-quarantining because of exposure to COVID-19. SB 98 provided requirements for distance learning, including, but not limited to: (i) confirmation or provision of access for all pupils to connectivity and devices adequate to participate in the educational program and complete assigned work, (ii) content aligned to grade level standards that is provided at a level of quality and intellectual challenge substantially equivalent to in-person instruction, (iii) support for pupils who are not performing at grade level or need support in other areas, (iv) special education services, (v) designated and integrated instruction in English language development for English learners, and (vi) daily live interaction with certificated employees and peers.

District Response. As a result of the outbreak of COVID-19, the District closed its schools for in-person learning for the remainder of the 2019-20 school year effective March 12, 2020 and began instruction through distance learning. The District opened the 2020-21 school year in an all distance learning environment. In accordance with the State's school reopening guidelines, the District implemented a hybrid model (a blend of in-person instruction and distance learning and a full distance (no in-person instruction)), based on parent choice, beginning on March 8, 2021 with respect to grades TK-5. Except for a limited in-person special cohort support for grades 6-8, the District's middle schools are expected to remain in distance learning until such time that the District is able to safely bring those students and staff back to the District's middle school sites. In-person instruction has continued into the 2021-22 and 2022-23 school years.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor enacted Executive Order N-26-20 ("Executive Order N-26-20"), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

The District has received or has been awarded $27,296,089 in COVID-19-related relief funding, including (i) $851,467 in learning loss mitigation funding pursuant to SB 98, (ii) $790,674 from the Elementary and Secondary School Emergency Relief Fund ("ESSER I") funded by the CARES Act, (iii) $2,919,396 from ESSER ("ESSER II") funded by the Consolidated Appropriations Act, 2021, (iv) $6,562,629 from ESSER ("ESSER III") funded by the American Rescue Plan, (v) $509,232 from the Governor's Emergency Education Relief, (vi) $3,604,406 for In-Person Instruction, (vii) $7,120,432 from the Expanded Learning Opportunities Grant, (viii) $4,421,133 from State COVID-19 Response Funding, (ix) $476,873 from the Special Education IDEA ARP 611 local assistance fund, and (x) $39,847 from the Special Education IDEA ARP 610 prek fund. The District, however, can make no representation whether all expected funds will be received or full expended, or what the timing of receipt of such funds might be.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – Retirement Programs" herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov), California Department of Public Health (https://covid19.ca.gov/) and the County Department of Health (https://www.smchealth.org/). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding available state or federal assistance, materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the School Accounting Manual. This manual, according to Education Code Section 41010, is to be followed by all California school districts.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2022, and prior fiscal years are on file with the District and available for public inspection at the Office of the Deputy Superintendent and Chief Business Official of the District, 1170 Chess Drive, Foster City, California 94404. The audited financial statements for the year ended June 30, 2022, are included in APPENDIX B hereto. The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2017-18 to fiscal year 2021-22.

AUDITED GENERAL FUND REVENUE, EXPENDITURES AND FUND BALANCES
Fiscal Years 2017-18 through 2021-22[1]
San Mateo-Foster City School District

	2017-18 Audited Actual	2018-19 Audited Actual	2019-20 Audited Actual	2020-21 Audited Actual	2021-22 Audited Actual
REVENUES					
LCFF sources	$107,688,449	$112,392,207	$117,997,623	$123,804,613	$129,793,538
Federal Sources	3,857,743	3,917,584	3,904,379	10,095,400	6,538,006
Other State Sources	9,979,680	17,886,514	12,377,993	16,874,590	20,590,347
Other Local Sources	12,882,050	11,274,490	21,587,846	19,309,158	17,972,697
Total Revenues	134,407,922	145,470,795	155,867,841	170,083,761	174,894,588
EXPENDITURES					
Instruction	93,387,172	93,698,924	96,718,137	106,187,943	111,855,729
Instruction-related Services					
Supervision of instruction	3,652,497	4,258,243	4,525,737	5,242,558	6,453,812
Instruction library, media and technology	1,101,082	1,110,000	1,227,323	1,295,549	1,120,587
School site administration	9,775,224	10,372,083	10,259,653	10,834,079	11,035,577
Pupil Services					
Home-to-school transportation	2,918,595	2,985,852	3,093,157	3,052,482	3,936,177
Food services	85	66	45,824	50,228	150
All other pupil services	5,806,153	6,955,613	9,143,164	10,042,571	10,802,254
Ancillary Services	263,132	255,916	176,137	41,028	266,918
Enterprise Activities	--	--	4,833	662,318	--
General Administration					
Data processing	1,585,345	2,022,412	2,185,490	1,889,789	2,478,089
All other general administration	6,238,085	6,276,718	6,907,392	7,107,012	7,630,909
Plant Services	10,400,032	10,616,323	10,989,269	12,033,357	13,164,708
Facilities acquisition and construction	3,005,224	620,892	99,731	559,069	1,286,168
Payments to other agencies	1,208,581	998,315	1,355,251	1,466,807	567,334
Other Outgo:					
Debt Service - Principal	--	--	--	--	183,016
Debt Service – Interest and fees	--	--	--	--	11,691
Total Expenditures	139,341,207	140,171,357	146,731,098	160,464,790	170,793,119
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,933,285)	5,299,438	9,136,743	9,618,971	4,101,469
OTHER FINANCING SOURCES (USES)					
Operating Transfers in	760,000	750,000	753,601	784,525	--
Operating Transfers out	(6,766,143)	(7,285,191)	(33,937)	(35,357)	(35,172)
Lease financing	--	--	--	--	751,666
Total Other Financing Sources (Uses)	(6,006,143)	(6,535,191)	719,664	749,168	716,494
Net Change in Fund Balances	(10,939,428)	(1,235,753)	9,856,407	10,368,139	4,817,963
Fund Balance – July 1	84,431,404	73,491,976	72,256,223	82,112,630	92,647,545
Prior period adjustments	--	--	--	166,776[2]	--
Fund Balance – July 1 – as adjusted	--	--	--	82,279,406	--
Fund Balance – June 30	$73,491,976	$72,256,223	$82,112,630	$92,647,545	$97,465,508

(1) The Special Reserve Fund for Other Than Capital Outlay has been combined for financial reporting purposes in accordance with GASB 54, resulting in an adjustment to the beginning fund balance of the general fund.

(2) The District restated its general fund's beginning fund balance by $166,776 to reclassify student body and scholarship funds previously reported as Agency funds. The student body funds were evaluated to determine if they were custodial funds as identified by GASB 84, but did not meet the definition of custodial funds and were identified as non-fiduciary.

Source: San Mateo-Foster City School District.

Budget Process

State Budgeting Requirements. The District is required by provisions of the Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection.

A school district whose budget has been disapproved must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Within the past ten years, the District has never had an adopted budget disapproved by the county superintendent of schools and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to AB 1200.

Budgeting Trends. The table on the following page sets forth the District's general fund adopted budgets for fiscal years 2016-17 through 2022-23, ending results for fiscal years 2016-17 through 2021-22, and projected totals for fiscal year 2022-23.

[REMAINDER OF PAGE LEFT BLANK]

GENERAL FUND BUDGETING
Fiscal Years 2017-18 through 2022-23
San Mateo-Foster City School District

	Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20		Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23	
	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[2]	Projected Totals[2]
REVENUES:												
LCFF Sources	$98,454,028	$107,688,449	$107,720,856	$112,392,207	$113,194,590	$117,997,623	$123,804,613	$121,073,451	$129,787,018	$129,793,538	$137,373,942	$137,296,144
Federal Revenue	3,897,881	3,857,743	4,246,312	3,917,584	4,164,197	3,904,379	10,095,400	3,590,314	6,706,507	6,538,006	13,571,140	13,686,045
Other State Revenue	8,167,840	9,979,680	12,026,883	17,886,514	9,836,907	12,377,993	16,874,590	9,589,631	21,772,723	20,590,347	19,491,314	27,488,180
Other Local Revenue	7,110,996	12,882,050	7,836,066	11,274,490	19,401,521	21,587,846	19,309,158	17,180,319	20,193,060	17,972,697	17,747,143	19,834,353
TOTAL REVENUES	117,630,745	134,407,922	131,830,117	145,470,795	146,597,215	155,867,841	170,083,761	151,433,715	178,459,308	174,894,588	188,183,539	198,304,722
EXPENDITURES:												
Certificated Salaries	56,102,144	60,854,505	61,949,676	60,866,387	66,057,397	64,425,083	71,163,768	70,940,203	73,221,068	72,304,697	77,861,054	76,886,665
Classified Salaries	14,423,386	15,959,016	15,875,087	15,860,051	16,314,547	16,760,736	18,469,643	17,621,587	18,093,330	19,082,881	21,871,969	21,234,096
Employee Benefits	27,750,754	28,293,300	30,707,787	35,917,869	33,729,244	34,636,115	35,908,035	35,810,931	41,116,583	39,010,538	46,486,361	45,570,560
Books & Supplies	2,848,417	6,606,413	3,106,763	3,280,646	4,891,731	4,391,317	6,252,951	5,311,694	5,891,363	7,489,231	7,520,205	9,396,275
Services & Other Operating Expenditures	22,838,414	23,565,650	25,624,402	22,703,269	27,597,381	25,144,819	27,064,560	26,863,209	28,865,947	31,358,406	42,992,528	49,488,141
Capital Outlay	10,000	3,105,543	1,566,000	740,841	10,000	263,841	375,057	10,000	484,905	1,231,638	446,465	1,402,710
Other Outgo/Transfers of Indirect Costs	1,270,654	956,780	1,148,329	802,294	926,149	1,109,187	1,230,776	976,218	945,910	315,728	880,460	843,108
TOTAL EXPENDITURES	125,243,769	139,341,207	139,978,044	140,171,357	149,526,449	146,731,098	160,464,790	157,533,842	175,370,646	170,793,119	198,059,042	204,821,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,613,024)	(4,933,285)	(8,147,927)	5,299,438	(2,929,234)	9,136,743	9,618,971	(6,100,127)	3,088,662	4,101,469	(9,875,503)	(6,516,833)
OTHER FINANCING SOURCES (USES)												
Operating Transfers In	750,000	760,000	750,000	750,000	750,000	753,601	784,525	848,173	187,042	--	--	--
Operating Transfers Out	(3,832,450)	(6,766,143)	(32,450)	(7,285,191)	(32,450)	(33,937)	(35,357)	(33,959)	(33,959)	(35,172)	(1,720,058)	(1,750,317)
Lease financing	--	--	--	--	--	--	--	--	--	751,666	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(3,082,450)	(6,006,143)	717,550	(6,535,191)	717,550	719,664	749,168	814,214	153,083	716,494	(1,720,058)	(1,750,317)
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(10,695,474)	(10,939,428)	(7,430,377)	(1,235,753)	(2,211,684)	9,856,407	10,368,139	(5,285,913)	3,241,745	4,817,963	(11,595,561)	(8,267,150)
FUND BALANCE, JULY 1	84,431,404	84,431,404	73,491,976	73,491,976	72,256,223	72,256,223	82,112,630	82,112,630	92,647,545	92,647,545	67,372,641	67,372,641
Prior period adjustments	--	--	--	--	--	--	166,776	--	--	--	--	(2,011,781)
Fund balances beginning – as adjusted	84,431,404	84,431,404	73,491,976	73,491,976	72,256,223	72,256,223	82,279,406	82,112,630	92,647,545	92,647,545	67,372,641	65,360,860
FUND BALANCE, JUNE 30	$73,735,930	$73,491,976	$66,061,599	$72,256,223	$70,044,539	$82,112,630	$92,647,545	$76,826,717	$95,889,290	$97,465,508	$55,777,080	$57,093,710

(1) From the District's Comprehensive Audited Financial Statements for fiscal years 2017-18 through 2021-22, respectively. The fiscal year 2021-2022 audit was presented to the Board for approval on March 23, 2023.
(2) From the District's Second Interim Financial Report for fiscal year 2022-23, approved by the Board on March 23, 2023.
(3) Reflects an adjustment to the general fund as a result of the inclusion of the Special Reserve Fund for Other Than Capital Outlay in accordance with GASB Statement No. 54.
(4) Beginning fund balance reflects the general fund only, and do not agree with the amounts reported for fiscal years 2017-18 through 2021-22 of this table and the amounts reported under "-Comparative Financial Statements" herein, because amounts included in the Audit for fiscal years 2017-18 through 2021-22 include the financial activity of the Deferred Maintenance Fund, Special Reserve Fund for Other Than Capital Outlay and the Retiree Benefit Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

Source: San Mateo-Foster City School District.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof.*

2022-23 State Budget. On June 30, 2022, the Governor signed the State budget for fiscal year 2022-23 (the "2022-23 Budget"). The following information is drawn from the DOF and LAO summaries of the 2022-23 Budget.

For fiscal year 2021-22, the 2022-23 Budget projects total general fund revenues and transfers of $277.1 billion and authorizes expenditures of $242.9 billion. The State is projected to end the 2021-22 fiscal year with total reserves of $46.7 billion, including $18.2 billion in the traditional general fund reserve, $20.3 billion in the BSA, $7.3 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2022-23, the 2022-23 Budget projects total general fund revenues and transfers of $219.7 billion and authorizes expenditures of $234.4 billion. The State is projected to end the 2022-23 fiscal year with total reserves of $37.2 billion, including $3.5 billion in the traditional general fund reserve, $23.3 billion in the BSA, $9.5 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The 2022-23 Budget includes deposits to the PSSSA of $3.1 billion, $4 billion and $2.2 billion attributable to fiscal years 2020-21 through 2022-23, respectively. The balance of $7.1 billion in the PSSSA in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

The 2022-23 Budget sets total funding for all K-12 education programs at $128.6 billion, including $78.6 billion from the State general fund. This results in per-pupil funding of $22,893, including $16,993 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2022-23 is set at $110.4 billion. The 2022-23 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2020-21 and 2021-22, setting them at $96.1 billion and $110.2 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of $35.8 billion over the level projected by the State budget for fiscal year 2021-22 (the "2021-22 Budget"). Test 1 is projected to be in effect over this three year period.

Other significant features relating to K-12 education funding include the following:

- *Local Control Funding Formula:* The 2022-23 Budget funds a COLA of 6.56% to LCFF apportionments, the largest COLA in the history of the LCFF. To assist school district and charter schools address ongoing fiscal pressures, staff shortages and other operational needs, the 2022-23 Budget includes $4.32 billion in ongoing Proposition 98 funding to increase LCFF base funding by an additional 6.28%. With respect to county offices of education, the 2022-23 Budget includes $101.2 million in ongoing, augmented LCFF funding. To support the fiscal stability of all local educational agencies, including those with declining student populations, the 2022-23 Budget amends the LCFF calculation to consider the greater of a school district's current year, prior year or average of three prior years' ADA. Finally, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in fiscal year 2021-22, the 2022-23 Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year ADA or their current year enrollment, adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year. The 2022-23 Budget also allows classroom based charter schools to be similarly funded. The 2022-23 Budget reflects $2.8 billion in ongoing Proposition 98 funding and $413 million in one-time Proposition 98 funding to implement these stabilization policies.

- *Learning Recovery*: The 2022-23 Budget establishes the Learning Recovery Emergency Fund and appropriates $7.9 billion in one-time Proposition 98 funding to establish a block grant to support local educational agencies in establishing learning recovery initiatives.

- *Discretionary Block Grant:* $3.6 billion in one-time, discretionary Proposition 98 funding to school districts, county offices of education, charter schools and State special schools to be spent on a variety of purposes, including arts and music programs, professional development, instructional materials, operational costs and expenses related to the COVID-19 pandemic.

- *Student Supports:* The 2021-22 Budget provided $3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. The 2022-23 Budget includes an additional $1.1 billion in one-time Proposition 98 funding to expand access to community schools.

- *Educator Workforce:* The 2021-22 Budget provided $2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators. To further support this effort, the 2022-23 Budget provides $48.1 million in one-time funding to waive certain teacher examination fees, $20 million in one-time funding to develop and implement integrated teacher preparation programs, $2.7 million to fund State operational support for teacher credentialing, and $1.4 million to establish career counselors for prospective educators.

- *Educator Preparation, Retention and Training:* The 2022-23 Budget funds a variety of additional educator workforce initiatives, including (i) $250 million in one-time Proposition 98 funding to expand residency slots for teachers and school counselors, (ii) $85 million in one-time Proposition 98 funding to create Pre-Kindergarten through 12th grade educator resources and professional learning in science technology, engineering and math, and (iii) $35 million in one-time Proposition 98 funding, available over three years, for educator training in computer science, special education and support for English-learners.

- *Universal Transitional Kindergarten*: $614 million in ongoing Proposition 98 funding to expand eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2, beginning in the 2022-23 fiscal year. To accommodate expected enrollment increases related to the expansion of transitional kindergarten, the 2022-23 Budget will rebench the Test 1 percentage of State revenues allocated to education. Additionally, the 2022-23 Budget includes $383 million in Proposition 98 funding to add one additional certificated or classified employee to every transitional kindergarten class, which is expected to reduce student-to-adult ratios to more closely align with the State's preschool program. Finally, the 2022-23 Budget provides $100 million of one-time funding in 2022-23, and $550 million of funding in 2023-24, to support the construction or retrofit of school facilities for the purpose of providing classrooms for transitional kindergarten, full-day kindergarten or preschool.

- *Expanded Learning Time:* $3 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and foster youth. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their numbers of such students. Beginning in fiscal year 2023-24, local educational agencies will be required to offer expanded learning opportunities to all low-income students, English language learnings and foster youth. Local educational agencies with the highest concentrations of these students will be required to offer expanded learning opportunities to all students. The 2022-23 Budget continues to assume full implementation of this program by fiscal year 2025-26.

- *Literacy:* $250 million in one-time Proposition 98 funding, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and offer one-on-one and small group intervention for struggling readers.

- *Community Engagement:* $100 million in one-time Proposition 98 funding to expand the reach of an initiative included in prior budgetary legislation which builds the capacity of local educational agencies to engage more effectively with their communities.

- *Special Education:* $500 million in ongoing Proposition 98 funding to increase in the State-wide base funding rate for special education funding.

- *College and Career Pathways:* $500 million in one-time Proposition 98 funding, over seven years, to support the development of college and career pathways program focused on technology (including computer science, green technology and engineering), health care, education and climate-related fields. Additionally, the 2022-23 Budget includes $200 million in one-time Proposition 98 funding, available over four years, to strengthen and expand student access and participation in dual enrollment opportunities.

- *Home-to-School Transportation*: $637 million in ongoing Proposition 98 funding to reimburse local educational agencies for up to 60% of their prior year transportation costs. In addition, commencing in fiscal 2023-24, the 2022-23 Budget reflects the application of an ongoing COLA to the current LCFF Home-to-School Transportation add-on. Finally, the 2022-23 Budget provides $1.5 billion in one-time Proposition 98 funding, available over five years, to support the greening of school buses as part of a Statewide zero-emissions initiative.

- *Nutrition:* $596 million in Proposition 98 funding to create universal access to subsidized school meals. The 2022-23 Budget provides an additional $611.8 million in ongoing Proposition 98 funding to augment State meal program reimbursements rates beginning in fiscal year 2022-23, in order to allow local educational agencies to continue offering higher-quality and more diverse meals for students. Additionally, the 2022-23 Budget includes $600 million in one-time Proposition 98 funding, available over three years, to upgrade school kitchen infrastructure and equipment, provide food service employee training and incorporate fresh, minimally-processed, California-grown foods in school meals. The 2022-23 Budget also provides an additional $100 million in one-time Proposition 98 funding to support local educational agency procurement practices for plant-based or restricted diet meals, as well as to procure California-grown or California-produced, sustainably grown and whole or minimally processed foods. Finally, the 2022-23 Budget includes an additional $30 million in one-time Proposition 98 funding for the California Farm to School Program, which connects local producers and school food buyers, increases food education opportunities and engages schools and students with the agricultural community.

- *Facilities:* $1.4 billion in State general obligation bond funding to support school construction projects. This represents the final installment available to K-12 school districts under Proposition 51. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51" herein" herein. The 2022-23 Budget also provides $1.3 billion in one-time funding in fiscal year 2022-23, $2.1 billion of such funds in 2023-24 and $875 million of such funds in fiscal year 2024-25, to support new construction and modernization projects through the State's school facility program. Finally, the 2022-23 Budget includes $30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program.

- *Classified Staff:* An increase of $35 million in one-time Proposition 98 funding, and $90 million in ongoing Proposition 98 funding, for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during the intersessional months when they are not employed.

For additional information regarding the 2022-23 Budget, see the DOF and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by any reference.

Proposed 2023-24 State Budget. On January 10, 2023, the Governor released his proposed State budget for fiscal year 2023-24 (the "Proposed 2023-24 Budget"). The following information is drawn from the DOF and LAO summaries of the Proposed 2023-24 Budget.

The Proposed 2023-24 Budget reports that due to several factors, including continued high inflation, multiple federal reserve bank interest rate increases and stock market declines, the revenue outlook is substantially different from the previous two years. The Proposed 2023-24 Budget forecasts that State general fund revenues will be $29.5 billion lower than the level projected by the 2022-23 Budget, and the State faces an estimated budget gap of approximately $22.5 billion in fiscal year 2023-24. The LAO estimates a slightly lower budget gap of $18 billion, and results from a difference in what the Governor and the LAO treat as spending that was approved by prior budgets.

To close the budget gap, the Proposed 2023-24 Budget includes a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades, as well as avoid draws on State reserves:

- *Funding Delays - $7.4 billion*: Delayed funding for multiple items across fiscal years 2021-22 through 2023-24. The majority of these funding delays are in higher education, healthcare and broadband access. The LAO notes that these funding delays will result in net cost increases in fiscal years 2024-25 and 2025-26.

- *Reductions/Pullbacks - $5.7 billion*: Reductions in spending for various items across fiscal years 2021-22 through 2023-24, and a pull back of certain items that were included in the 2022-23 Budget. Significant items in this category include a $3 billion inflationary adjustment included in the prior budget, and a $750 million principal payment to the State's unemployment insurance loan.

- *Cost Shifts - $4.3 billion*: Shifts in certain expenditures in fiscal years 2022-23 and 2023-24 from the State general fund to other sources.

- *Trigger Reductions - $3.9 billion*: Reductions to funding for certain items in fiscal years 2020-21 through 2023-24. These reductions would be placed in a "trigger" that would restore funding if sufficient revenues are available. The reductions are to baseline adjustments, enrollments, caseloads and population adjustments, primarily in the areas of natural resources and the environment, transportation, housing and homelessness, State parks and workforce training.

- *Limited Revenue Generation and Borrowing - $1.2 billion*: Augmentation to State general fund sources and limited borrowing, the majority of which would be derived from loans from special funds and a renewal of a tax on managed care organizations.

The Proposed 2023-24 Budget also includes estimates of multiyear revenues and spending. Under these projections and the current budget proposals, the State is projected to face operating deficits of $9 billion in fiscal year 2024-25, $9 billion in fiscal year 2025-26 and $4 billion in fiscal year 2026-27.

For fiscal year 2022-23, the Proposed 2023-24 Budget projects total general fund revenues and transfers of $208.9 billion and authorizes expenditures of $240.1 billion. The State is projected to end the 2022-23 fiscal year with total reserves of $47.7 billion, including $17.2 billion in the traditional general fund reserve, $21.5 billion in the BSA, $8.1 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the Proposed 2023-24 Budget projects total general fund revenues and transfers of $210.2 billion and authorizes expenditures of $223.6 billion. The State is projected to end the 2023-24 fiscal year with total reserves of $35.6 billion, including $3.8 billion in the traditional general fund reserve, $22.4 billion in the BSA, $8.5 billion in the PSSSA and $900 million in the Safety Net Reserve Fund.

The ending balance in the BSA is at the constitutional maximum amount, resulting in $951 million that is required to be dedicated to infrastructure improvements in fiscal year 2023-24. The Proposed 2023-24 Budget also includes revised deposits to the PSSSA of $3.7 billion and $1.1 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorizes a deposit in fiscal year 2023-24 of $365 million. The balance of $8.5 billion in the PSSSA in fiscal year 2022-23 would trigger school district reserve caps in fiscal year 2023-24. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein" herein.

The Proposed 2023-24 Budget sets total funding for all K-12 education programs at $128.5 billion, including $78.7 billion from the State general fund and $49.8 billion from other sources. This results in per-pupil funding of $23,723, including $17,519 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2023-24 is set at $108.8 billion, reflecting a decrease of approximately $1.5 billion from the prior year. The Proposed 2023-24 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2021-22 and 2022-23, setting them at $110.4 billion and $106.9 billion, respectively. Collectively, this represents a three-year decrease in the minimum funding guarantee of $4.7 billion over the level projected by the 2022-23 Budget. Test 1 is projected to be in effect over this three year period.

Other significant features relating to K-12 education funding include the following:

- *Local Control Funding Formula:* The Proposed 2023-24 Budget funds a COLA of 8.13% to LCFF apportionments. When combined with growth adjustments, this increase will result in $4.2 billion in additional discretionary funds for local educational agencies. To fund the increase and maintain the current-year level of LCFF apportionments, the Proposed 2023-24 Budget provides approximately $613 million in one-time resources to support the ongoing cost of the LCFF in fiscal year 2022-23, and $1.4 billion of such resources to support the ongoing cost of the LCFF in fiscal year 2023-24. The Proposed 2023-24 Budget also provides an increase of $51.7 million in ongoing Proposition 98 funding to support an 8.13% COLA for county offices of education, and an increase of $669 million of such funding to support a similar COLA for categorical programs that remain outside the LCFF. Finally, to accelerate learning gains and close opportunity gaps, the Proposed 2023-24 Budget provides $300 million in ongoing Proposition 98 funding to establish an equity multiplier as an add-on to the LCFF. These funds will be allocated to local educational agencies based on school-site eligibility, and the funds are intended to augment resources that support the highest-needs schools in the State.

- *Universal Transitional Kindergarten*: $690 million in ongoing Proposition 98 funding to continue the implementation of transitional kindergarten, expanding eligibility to include all children turning five years old between September 2 and April 2, beginning in the 2023-24 fiscal year. To accommodate expected enrollment increases related to this expansion, the Proposed 2023-24 Budget will rebench the Test 1 percentage of State revenues allocated to education. Additionally, the Proposed 2023-24 Budget includes $165 million to add one additional certificated or classified employee to every transitional kindergarten class. The Proposed 2023-24 Budget also delays, to fiscal year 2024-25, $550 million of funding previously approved to support the construction or retrofit of full-day kindergarten and preschool facilities.

- *Literacy:* $250 million in additional one-time Proposition 98 funding for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and offer one-on-one and small group intervention for struggling readers.

- *Arts and Cultural Enrichment:* On November 8, 2022, State voters approved Proposition 28, which requires that an amount equal to 1% of the prior year's minimum funding guarantee be allocated to schools to increase arts instruction and arts programs in public education. The Proposed 2023-24 Budget includes $941 million to fund this mandate. Given the need to cover the costs of the LCFF in fiscal years 2022-23 and 2023-24, the Proposed 2023-24 Budget reflects a reduction of approximately $1.2 billion in Proposition 98 funding previously approved for the Arts, Music and Instructional Materials Block Grant. The Proposed 2023-24 Budget also provides $100 million in one-time Proposition 98 funding to enable local educational agencies to provide high school seniors with access to cultural enrichment experiences.

- *Facilities*: The Proposed 2023-24 Budget reflects a decrease of $100 million in State general fund support for the State school facilities program. The Proposed 2023-24 Budget also includes $30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program, and would set aside $15 million of previously appropriated funding to support school kitchen infrastructure improvements.

For additional information regarding the Proposed 2023-24 Budget, see the DOF and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by any reference.

Future Actions and Events. The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds shall be payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District is a community funded district (as described herein), located in the greater San Francisco Bay Area of northern California, serves the communities of San Mateo and Foster City, as well as certain unincorporated areas in the central portion of the County. The District operates 16 elementary schools (grades K-5), including one Montessori school (K-5), two K-8 schools, including one Montessori school (grades K-8), and three middle schools (grades 6-8), as well as preschool programs. The 2022-23 assessed valuation of the area served by the District is $49,290,348,671. The District's average daily attendance for fiscal year 2021-22 was 9,632. The District's approved budgeted for fiscal year 2022-23 projects an average daily attendance for fiscal year 2022-23 of 9,171.

Administration

District Board. The governing Board consists of five elected members. Members are elected at-large to serve staggered four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. A president is elected by members of the Board each year. Current members of the Board, together with their offices and the dates their terms expire, are listed below.

Board Member	Office	Term Expires
Shara Watkins	President	December 2024
Kenneth Chin	Vice President	December 2024
LaTisa Brooks	Clerk	December 2024
Alison Proctor	Trustee	December 2026
Maggie Trinh	Trustee	December 2026

The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as supervision of the District's other key personnel. Diego R. Ochoa currently serves as the District Superintendent. Brief biographies of the Superintendent and Chief Business Official follow:

Diego R. Ochoa, Superintendent. Diego Ochoa came to the district in June 2021. Ochoa has 23 years of educational experience as a teacher, assistant principal, principal, director, executive director, and superintendent. He has a strong background in curriculum, instruction, special education, equity, student wellness, parent engagement, and school facilities. Mr. Ochoa previously served as Superintendent of both the Esparto Unified School District and the Hollister School District. Mr. Ochoa earned his Bachelor of Arts, Special Education Teaching Credential, and Master of Arts in Education from California State University San Marcos. Mr. Ochoa also studied in the Urban K-12 Educational Leadership joint doctoral program at the University of California, Irvine. Active in community associations, he has served as ACSA Region 5 President, San Mateo County ACSA Charter President and Region 3 ACSA President Elect. Mr. Ochoa is currently ex-officio Board Member of the San Mateo-Foster City Education Foundation.

Patrick Gaffney, Deputy Superintendent and Chief Business Official. Patrick Gaffney began his tenure as Chief Business Official with the District in October 2019. Over the past 21 years, Mr. Gaffney has served as an Assistant Superintendent of Business Services, Deputy Superintendent and Superintendent at other school districts in the State. Prior to his career in education Mr. Gaffney served in a variety of national and international financial management roles in the private sector. Mr. Gaffney obtained his Bachelor's Degree in finance from Santa Clara University.

Enrollment Trends

On average throughout the District, the regular education pupil-teacher ratio is approximately 24:1 for grades TK-3, 30:1 in grades 4-6, and 30:1 in grades 7-8. The following table shows a 10-year enrollment history for the District. The District's enrollment for fiscal year 2020-21 was impacted by COVID-19. See "DISTRICT FINANCIAL INFORMATION - Considerations Regarding COVID-19" herein.

HISTORICAL ENROLLMENT
Fiscal Years 2013-14 through 2022-23
San Mateo-Foster City School District

Fiscal Year	Enrollment	% Change
2013-14	11,721	--
2014-15	11,858	1.17%
2015-16	11,977	1.00
2016-17	11,970	(0.06)
2017-18	11,837	(1.11)
2018-19	11,724	(0.95)
2019-20	11,576	(1.26)
2020-21	10,969	(5.53)
2021-22	10,357	(5.91)
2022-23	10,067	(2.88)

Note: Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the State Department of Education. CALPADS figures exclude preschool and adult transitional students.

Source: San Mateo-Foster City School District.

Labor Relations

The District currently employs approximately 628 full-time equivalent certificated employees and 413 full-time equivalent classified employees. These employees, except management and some part-time employees, are represented by the two bargaining units as noted below:

BARGAINING UNITS
San Mateo-Foster City School District

Labor Organization	Number of Full-Time Equivalent Employees In Bargaining Unit	Contract Expiration Date
San Mateo Elementary Teachers' Association	628.27	June 30, 2025
California School Employees Association	413.12	June 30, 2024

Source: San Mateo-Foster City School District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriters.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the California State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. Previously, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members ("PEPRA Members") hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees ("Classic Members") hired before the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members.

Pursuant to AB 1469, K-14 school districts' contribution rate increased over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the

Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of $1.117 billion to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State's 2020-21 Budget redirected $2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and is 16.92% in fiscal year 2021-22. See "DISTRICT FINANCIAL INFORMATION – State Budget Measure" herein. The employer contribution rate is 19.1% in fiscal year 2022-23.

The District's contributions to STRS were $4,510,050 in fiscal year 2014-15, $5,718,444 in fiscal year 2015-16, $6,866,436 in fiscal year 2016-17, $8,612,908 for fiscal year 2017-18, $9,728,645 in fiscal year 2018-19, $10,781,267 in fiscal year 2019-20, $17,809,575 in fiscal year 2020-21, and $19,968,557 in fiscal year 2021-22. Based on the District's Second Interim Financial Report for fiscal year 2022-23, the District currently projects $22,882,115 for its contribution to STRS for fiscal year 2022-23.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2021-22, and 8.328% for fiscal year 2022-23. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the California Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants on June 30, 2021 included 1,608 public agencies and 1,329 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the

State Legislature appropriated $904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, $144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, $430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and $330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% in fiscal year 2020-21, and 22.91% for fiscal year 2021-22. See "DISTRICT FINANCIAL INFORMATION – State Budget Measure" herein. The employer contribution rate is 25.37% in fiscal year 2022-23. Classic Members contribute at a rate established by statute, which was 7% of their respective salaries in fiscal year 2021-22 and is 7% in fiscal year 2022-23, while PEPRA Members contribute at an actuarially determined rate, which was 7% in fiscal year 2021-22 and is 8% in fiscal year 2022-23. Due primarily to the change in the discount rate, the total normal cost of PEPRA Members changed by more than 1% of payroll relative to fiscal year 2021-22, which required the PEPRA Member contribution rate to be adjusted to equal 50% of the total normal cost of 15.91% in fiscal year 2022-23. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $2,120,00 in fiscal year 2014-15, $2,283,587 in fiscal year 2015-16, $2,738,437 in fiscal year 2016-17, $3,359,129 for fiscal year 2017-18, $3,901,937 in fiscal year 2018-19, $4,534,779 in fiscal year 2019-20, $4,815,786 in fiscal year 2020-21 and $5,529,090 in fiscal year 2021-22. Based on the District's Second Interim Financial Report for fiscal year 2022-23, the District currently projects $5,598,437 for its contribution to PERS for fiscal year 2022-23.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [(1)]
Fiscal Years 2010-11 through 2020-21

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)]	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[(3)]	Unfunded Liability (AVA)[(3)]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--[(4)]	--[(4)]
2014-15	73,325	56,814	16,511	--[(4)]	--[(4)]
2015-16	77,544	55,785	21,759	--[(4)]	--[(4)]
2016-17	84,416	60,865	23,551	--[(4)]	--[(4)]
2017-18	92,071	64,846	27,225	--[(4)]	--[(4)]
2018-19[(5)]	99,528	68,177	31,351	--[(4)]	--[(4)]
2019-20[(6)]	104,062	71,400	32,662	--[(4)]	--[(4)]
2020-21	110,507	86,519	23,988	--[(4)]	--[(4)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) For fiscal year 2020-21, the additional $430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.
(6) For fiscal year 2021-22, the impact of the additional $330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the "2017 Experience Analysis"), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Analysis, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both Classic Members and PEPRA Members to better reflect the anticipated impact of years of service on retirements. The 2021 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2021 (the "2021 STRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by $16.1 billion since the 2020 STRS Actuarial Valuation and the funded ratio, based on an actuarial value of assets, increased by 5.9% to 73.0% over such time period. The increase in the funded ratio is primarily due to a greater than expected investment return (27.2% in fiscal year 2020-21), salary increases less than assumed, additional State contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy. The full impact of the 27.2% investment return will take three years to be reflected in the contribution rates, since STRS uses an actuarial value of assets which smooths the volatility of investment returns by reflecting only one-third of the net accumulated investment gains or losses in a year. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the "Unallocated UAO"). There was a decrease in the Unallocated UAO from $377 million as of June 30, 2020 to a negative $469 million as of June 30, 2021.

According to the 2021 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2041 of 101.0%. This finding assumes additional increases in the scheduled contribution rates allowed under the current law will be made, the future recognition of the currently deferred asset gains, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In its Annual Comprehensive Financial Report for fiscal year ending June 30, 2022, STRS reported a money weighted net return on investment of negative 2.4% and time-weighted net return on investments of negative 1.3% for fiscal year 2021-22, ending with the total fund value of $301.6 billion as of June 30, 2022. When STRS released the preliminary investment return for fiscal year 2021-22 on July 29, 2022, STRS noted that it is the first negative return since 2009, reflecting the ongoing volatility in the global financial markets impacted by inflation, rising interest rates, COVID-19 and the war in Ukraine. Due in part to the 27.2% return in fiscal year 2020-21, STRS remains in position to be fully funded by 2046.

On November 2, 2022, STRS released is 2022 Review of Funding Levels and Risks (the STRS 2022 Review of Funding Levels and Risks"), which is based on the 2021 STRS Actuarial Valuation and reflects all relevant changes that have occurred since 2021 STRS Actuarial Valuation, including the negative 2.4% money-weighted investment loss reported for the 2021-22 fiscal year. The key results and findings noted in the STRS 2022 Review of Funding Levels and Risks were that (i) the State's share of the STRS unfunded actuarial obligation is still projected to be eliminated prior to 2046 (currently projected to be eliminated by fiscal year 2029-30), but not as early as projected in the June 30, 2021 valuation, (ii) the current contribution rates for the State and employers are projected to be sufficient to eliminate their share of the STRS unfunded actuarial obligation by 2046 and contribution rate increases are not expected to be needed for fiscal year 2023-24, (iii) the largest risk facing STRS' ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system's sensitivity to investment experience, and the State's share of the unfunded actuarial obligation could quickly increase if STRS were to experience another year in which the investment return is significantly below the assumed rate of return, (iv) anticipated continued decreases in enrollment in K-12 public schools could lead to future declines in the size of the active membership, resulting in lower than anticipated payroll growth, which could negatively impact STRS' ability to achieve full funding, requiring contribution rate increases, especially among employers, (v) a recession resulting in a period of low investment returns and a decline in the size of the active membership could hurt STRS ability to reach full funding, and (vi) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term, while uncertainty around inflation, investment markets and payroll growth could put pressure on STRS' ability to meet some of its long-term actuarial assumptions. In addition, with respect to investment related risks, the STRS 2022 Review of Funding Levels and Risks notes that once the State's supplemental contribution rate is reduced to zero (as discussed above), if it were ever needed to be increased again, the STRS Board will be limited to increases of only 0.5% of payroll each year, which could take the STRS Board years before it is able to increase the rate to the levels necessary to reduce any newly realized unfunded actuarial obligation.

Between 2019 and 2020, the number of teachers actively working dropped from 451,000, to about 448,000. Between 2020 and 2021, the number of active teachers continued to drop to about 429,000, which resulted in a payroll that remained flat, below the 3.5% annual payroll growth assumption. In 2022, the total number of active members was back to the levels last seen prior to the start of the COVID-19 pandemic, increasing by approximately 20,000 over the last fiscal year. The total payroll increased by more than 6% over the last fiscal year, resulting in STRS collecting more contributions from employers than expected. The STRS 2022 Review of Funding Levels and Risks notes that, a likely contributor to the decline in active membership in 2020-21 was the higher than expected retirements STRS experienced that fiscal year and the uncertainties related to the COVID-19 pandemic. Although an increase in retirements would normally not impact long-term funding, decisions made by employers about whether to replace the teachers who have retired can impact STRS ability to reach full funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll. The STRS 2022 Review of Funding Levels and Risks, also notes that another area of particular concern related to payroll growth and the number of teachers in the State is the decreasing population of children enrolled in K-12 schools in the State. Total enrollment in public schools in the State dropped 271,000, or 4.4% reduction, between 2019-20 and 2021-22. Several factors contributed to the drop of enrollment during that time period, including the increase in the number of homeschool students and students enrolled in private schools during the COVID-19 pandemic. The STRS 2022 Review of Funding Levels and Risks notes that it is unclear whether the decrease in overall enrollment is permanent or simply a temporary effect of the COVID-19 pandemic. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. In September 2022, the State updated its projection of K-12 enrollment for the State, which assumes the number of children enrolled in K-12 schools will decline approximately 9% over the next 10 years.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the "2021 Experience Study"), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g., retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund's investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and PEPRA employees beginning in fiscal year 2022-23.

The Schools Pool Actuarial Valuation as of June 30, 2021 (the "2021 PERS Actuarial Valuation"), reported that from June 30, 2020 to June 30, 2021 the funded ratio of the Schools Pool increased by 9.7% (from 68.6% to 78.3%), which was primarily due to investment return in 2020-21 being greater than expected, offset partially by the reduction in discount rate from 7.00% to 6.80%. On July 12, 2021 PERS reported a preliminary 21.3% net return on investments for fiscal year 2021. Since the preliminary return sufficiently exceeded the 7.00% discount rate, the Funding Risk Mitigation Policy triggered a 0.20% reduction in the discount rate, from 7.00% to 6.8%. Pursuant to the Funding Risk Mitigation and Actuarial Amortization policies, a portion of the investment gain was used to fully offset the increase in unfunded liability resulting from the decrease in discount rate. The remaining net investment gain was amortized over 20 years with a five year ramp. The 2021 PERS Actuarial Valuation reports that the contribution rate for fiscal year 2023-24 is projected to be 27.0%, the contribution rate for fiscal year 2024-25 is projected to be 28.1%, the contribution rate for fiscal year 2025-26 is projected to be 28.8%, the contribution rate for fiscal year 2026-27 is projected to be 29.2%, and the contribution rate for fiscal year 2027-28 is projected to be 30.7%. The projected contribution rates in the 2021 PERS Actuarial Valuation reflect an investment loss for fiscal year 2021-22 based on preliminary investment return information released by the PERS Investment Office, adjusted to reflect final audited June 30, 2021 assets. Further, projected rates reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period. Future contribution requirements may differ significantly. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

In its Basic Financial Statements for fiscal year ending June 30, 2022, PERS reported a time-weighted net return on investment of negative 6.1% and a money-weighted net return on investment of negative 7.5% for fiscal year 2021-22. When PERS released the preliminary investment returns for fiscal year 2021-22 on July 20, 2022, PERS noted that volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all had an impact on the investment return. The investment return for fiscal year 2021-22 will be reflected in contribution levels for the State and employers in fiscal year 2023-24.

In November 2022, PERS released its 2022 Annual Review of Funding Levels and Risk (the "2022 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The results presented in the 2022 PERS Funding Levels and Risk Report are based on the June 30, 2021 annual valuations, which have been projected forward to June 30, 2022 based on preliminary investment performance for the year ending June 30, 2022. The unfavorable investment returns during the year ending June 30, 2022 resulted in decreases to the funded ratios for PERS plans. The funded status of the Schools Pool decreased from 78.3% as of June 30, 2021 to a projected 69% as of June 30, 2022. The 2022 PERS Funding Levels and Risk Report notes that the pandemic has potential to alter the experience of the retirement in several different areas, including investment returns, inflation, deaths, retirements, terminations, disability retirements, and pay increases. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. The 2022 PERS Funding Levels and Risk Report notes that over the next several years, inflation and near-term economic decline, also have the potential to either increase required contributions or add additional financial strain on employers and their ability to make required contributions. PERS and its members are potentially impacted by high inflation because wages generally keep pace with inflation over the long-term, many retirees are likely to receive higher cost-of-living adjustments but will likely still lose purchasing power, and increases in wages exceeding the assumed increases and higher COLAs result in higher contributions for employers. In addition, many forecasters are predicting an economic slowdown in the near future, which could lead to lower investment returns, increased investment volatility, and higher unemployment. If the system experiences lower than expected investment returns, the potential impact on required contributions, combined with the impacts of high inflation, could push contribution rates to levels that would prove challenging for some employers.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at

100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2022, the District reported its shares of the net pension liabilities for the STRS and PERS plans as $58,360,386 and $32,975,332, respectively. For more information, see "—District Debt Structure" and "APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8" attached hereto.

Other Post-Employment Benefits

Plan Description. The District administers a single-employer defined benefit healthcare plan (the "Plan"). The District provides lifetime postemployment health care benefits (the "Benefits"), in accordance with District's employment contracts, to most employees who retire from the District. Managers who retire from the District are eligible for full lifetime medical, vision, and dental premiums for the employee only. There is a cap on San Mateo Elementary Teachers' Association and California School Employees Association payments up to the age of 65 and after the age of 65. Membership of the Plan currently consists of 702 retirees currently receiving Benefits, and 763 active plan members.

Funding Policy. Expenditures for the Benefits are recognized on a "pay as you go basis" covering the cost of premiums paid for current retirees, with additional amounts to prefund benefits as determined annually by the District. For fiscal year ending June 30, 2016, the District recognized $1,737,859 of expenditures for the Benefits. For fiscal year ending June 30, 2017, the District recognized $1,773,429 of expenditures for the Benefits. For fiscal year ending June 30, 2018, the District recognized $1,845,664 of such expenditures, all of which was used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2019, the District recognized $1,940,415 of such expenditures, all of which were used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2020, the District recognized $1,940,533 of such expenditures, all of which were used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2021, the District recognized $1,910,008 of such expenditures, all of which were used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2022, the District recognized $2,016,227 of such expenditures, all of which were used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2023, the District currently projects $2,003,019 of such expenditures, all of which is expected to be used for current premiums of health and medical benefits for retired employees.

The District has not established an irrevocable trust to prefund its OPEB liability, and no prefunding of benefits has been made by the District.

The District has established a special reserve fund to fund its outstanding liability with respect to its Benefits (the "Retiree Benefit Fund"). As of June 30, 2022, the Retiree Benefit Fund had a balance of $26,118,906. The District has not budgeted a transfer into the Retiree Benefit Fund for fiscal year 2022-23. This fund has not been irrevocably pledged towards the District's liability, however, and may be accessed by the District upon Board action.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, "GASB 74" and "GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (FNP) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized

GASB No. 75 in their financial statements for fiscal year 2017-18. See also “APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 1” attached hereto.

Actuarial Studies. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (“GASB 74”) and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed above) require biennial actuarial valuations for all plans. The actuarial study, dated as of June, 30, 2022 (the “Study”), concluded that, as of June 30, 2022, the Total OPEB Liability (the “TOL”) with respect to such benefits, was $73,085,658, the Net OPEB Liability (the “NOL”) was $73,085,658, and the Total OPEB Expense (the “TOE”) to be $4,170,971 for fiscal year ending June 30, 2022. The District has a Fiduciary Net Position (the “FNP”) of $0. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees’ past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. The TOE is the annual change in the District’s NOL, with deferred recognition provided for certain items. For more information regarding the District’s other post-employment benefit liability, see “APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8” attached hereto.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District carries cybersecurity insurance.

Risk Management

The District's risk management activities are recorded in the general fund. Employee life, dental, and disability programs are administered by the general fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools Insurance Group public entity risk pool (the “JPA”). Excess property and liability coverage is obtained through Public Entity Property Insurance Program, excess liability insurance is obtained through Public Risk Innovation, Solutions, and Management (“PRISM”) and Schools Excess Liability Fund (“SELF”) and excess workers’ compensation insurance is provided for by PRISM.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Coverage provided by the San Mateo-County Schools Insurance Group for workers' compensation, property and liability insurance is as follows:

Type of Coverage	Limits	Member Deductible
Workers' compensation	SMCSIG - $250,000 Excess coverage provided by PRISM EWC Program - $250,000 - statutory limit	
Property	SMCSIG - $0-$250,000 per occurrence Public Entity Property Insurance Program - $250,000 to $800,000,000	$15,000 per occurrence
Liability	SMCSIG - $0-$250,000 per occurrence PRISM - $250,000 to $5 million per occurrence SELF - $5 million - $55 million per occurrence, $5,000,000-$10,000,000 through shared risk pool, and $10,000,000 -$55,000,000 is through re-insurance	$10,000 per occurrence

The District is a member of the San Mateo County Schools' Insurance Group, joint powers authority (JPA). The District pays an annual premium to the entity for its dental, workers' compensation, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes. For more information "APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 1" attached hereto.

District Debt Structure

Schedule of Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2022, is shown below:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Bonds	$479,770,740	$7,114,418	$17,740,987	$469,144,171
Right to use lease obligation	--	751,666	183,016	568,650
Net OPEB Liability	63,170,039	37,246,071	27,330,452	73,085,658
Compensated Absences	428,739	158,919	107,185	480,473
Net Pension Liabilities	161,304,853	69,812,067	139,781,202	91,335,718
Totals	$704,674,371	$115,083,141	$185,142,842	$634,614,670

Source: San Mateo-Foster City School District.

General Obligation Bonds. The District received authorization at an election held on June 4, 1991 (the "1991 Authorization") at which the requisite vote of at least two-thirds of the persons voting on the proposition voted to authorize the issuance of $33,000,000 principal amount of general obligation bonds of the District. In August, 1991, the District issued $8,000,000 of its General Obligation Bonds, Election of 1991, Series A (the "1991 Series A Bonds"). In May 1993, the District issued $9,000,000 of its General Obligation Bonds, Election of 1991, Series B (the "1991 Series B Bonds"). In March 1995, the District issued $9,999,069.75 of its General Obligation Bonds, Election of 1991, Series C (the "1991 Series C Bonds"). In November 1995, the District issued $7,595,000 of its General Obligation Refunding Bonds, Series 1995 (the "1995 Refunding Bonds"), the proceeds of which were utilized to refund a portion of the 1991 Series A Bonds. In August 1996, the District issued $6,000,930.10 of its General Obligation Bonds, Election of 1991, Series D (the "1991 Series D Bonds"). In October 2003, the District issued $27,305,000 of its 2003 General Obligation Refunding Bonds (the "2003 Refunding Bonds"), the proceeds of which were utilized to refund the outstanding portions of the 1991 Series B Bonds, 1991

Series C Bonds, 1995 Refunding Bonds and 1991 Series D Bonds. In June, 2012, the District issued $14,700,000 of its 2012 General Obligation Refunding Bonds (the "2012 Refunding Bonds"), the proceeds of which were utilized to refund a portion of the outstanding 2003 Refunding Bonds.

The District received authorization at an election held on June 3, 1997 (the "1997 Authorization") at which the requisite vote of at least two-thirds of the persons voting on the proposition voted to authorize the issuance of $79,000,000 principal amount of general obligation bonds of the District. In August, 1997, the District issued $10,825,000 of its General Obligation Bonds, Election of 1997, Series 1997 (the "Series 1997 Bonds"). In August, 1998, the District issued $15,000,000 of its General Obligation Bonds, Election of 1997, Series 1998 (the "Series 1998 Bonds"). In August, 1999, the District issued $18,500,000 of its General Obligation Bonds, Election of 1997, Series 1999 (the "Series 1999 Bonds"). In March, 2001, the District issued $16,000,000 of its General Obligation Bonds, Election of 1997, Series 2001 (the "Series 2001 Bonds"). In May, 2002, the District issued $18,675,000 of its General Obligation Bonds, Election of 1997, Series 2002 (the "Series 2002 Bonds"). In November 2005, the District issued $76,752,425.21 of its 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), the proceeds of which were utilized to refund the outstanding Series 1997 Bonds, Series 1998 Bonds, Series 1999 Bonds and Series 2001 Bonds, Series 2002 Bonds and to finance the acquisition, construction, improvement and/or furnishing and equipping of real property in the District. Concurrently with the issuance of the 2005 Refunding Bonds, the San Mateo-Foster City School Facilities Financing Authority issued its 2005 Revenue Bonds, Series 2005 in the aggregate principal amount of $79,975,000 for the purpose of purchasing the District's 2005 Refunding Bonds. In May 2015, the District issued $2,080,000 of its 2014 General Obligation Refunding Bonds (the "2014 Refunding Bonds") and $27,875,000 of its 2015 General Obligation Refunding Bonds (Delayed Delivery) (the "2015 Refunding Bonds", and together with the 2014 Refunding Bonds, the "2014/2015 Refunding Bonds"), the proceeds of which were utilized to refund portions of the outstanding 2005 Refunding Bonds.

The 2008 Authorization was approved by voters at an election held on February 5, 2008, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $175,000,000 principal amount of general obligation bonds of the District. On February 23, 2010, the District issued $54,999,412.85 of its General Obligation Bonds, Election of 2008, Series A (the "2008 Series A Bonds") under the 2008 Authorization. On July 14, 2010, the District issued $25,000,000 of its General Obligation Bonds, Election of 2008, Series Q (Taxable Direct-Pay Qualified School Construction Bonds) (the "2008 Series Q Bonds") under the 2008 Authorization. On November 20, 2012, the District issued $35,000,000 of its General Obligation Bonds, Election of 2008, Series C (the "2008 Series C Bonds") under the 2008 Authorization. On October 22, 2015, the District issued $60,000,000 of its General Obligation Bonds, Election of 2008, Series D (the "2008 Series D Bonds") under the 2008 Authorization. There is no usable authorization of the 2008 Authorization remaining.

The 2015 Authorization was approved by voters at an election held on November 3, 2015, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $148,000,000 principal amount of general obligation bonds of the District. On March 10, 2016, the District issued $74,000,000 of its Election of 2015 General Obligation Bonds, Series A (the "2015 Series A Bonds") under the 2015 Authorization. On March 24, 2021, the District issued $45,000,000 of its Election of 2015 General Obligation Bonds, Series B (the "2015 Series B Bonds") under the 2015 Authorization. $29,000,000 of the 2015 Authorization remains unissued.

On May 19, 2020, the District issued $146,705,000 of its 2020 General Obligation Refunding Bonds (Federally Taxable) (the "2020 Refunding Bonds"), the proceeds of which were utilized to refund portions of the outstanding 2008 Series D Bonds and 2015 Series A Bonds.

On November 18, 2020, the District issued (i) $2,870,000 of its 2020 General Obligation Refunding Bonds, Series B (Federally Tax-Exempt) (the "2020 Refunding Bonds, Series B"), the proceeds of which were utilized to refund portions of the outstanding 2008 Series A Bonds and (ii) $16,250,000 of its 2020 General Obligation Refunding Bonds, Series C (Federally Taxable) (the "2020 Refunding Bonds, Series C"), the proceeds of which were utilized to refund portions of the outstanding 2008 Series C Bonds.

The 2020 Authorization was approved by voters at an election held on November 3, 2020, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $409,000,000 principal amount of general obligation bonds of the District. On March 24, 2021, the District issued $100,000,000 of its Election of 2020 General Obligation Bonds, Series A (the "2020 Series A Bonds") under the 2020 Authorization. The Bonds are the second series of bonds issued under the 2020 Authorization, and following the issuance thereof, $159,000,000 of the 2020 Authorization will remain unissued.

The table on the following page shows the total debt service with respect to the District's outstanding general obligation bonded debt following the issuance of the Bonds.

[REMAINDER OF PAGE LEFT BLANK]

COMBINED GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE

	1997 Authorization	2008 Authorization				2015 Authorization		2020 Authorization		
Year Ending (August 1)	The 2014/2015 Refunding Bonds	2008 Series A Bonds	2008 Series Q Bonds[1]	2020 Refunding Bonds Series B	2020 Refunding Bonds, Series C	2020 Refunding Bonds[2]	2015 Series B| Bonds	2020 Series A Bonds	The Bonds	Total Annual Debt Service
2023	$9,133,804.17	--	$2,482,200.00	$420,200.00	$3,199,578.00	$8,550,708.46	$5,528,375.00	$5,214,050.00	$1,852,655.28	$36,381,570.91
2024	--	$1,325,075.00	7,564,300.00	1,002,200.00	901,577.10	4,633,357.96	1,279,625.00	2,530,900.00	15,445,300.00	34,682,335.06
2025	--	1,325,075.00	7,432,100.00	1,180,400.00	1,057,362.40	4,663,196.06	1,279,625.00	2,530,900.00	13,326,800.00	32,795,458.46
2026	--	2,760,075.00	7,329,900.00	--	1,186,287.30	5,350,389.50	1,279,625.00	2,530,900.00	5,661,800.00	26,098,976.80
2027	--	11,348,106.26	--	--	831,158.56	5,192,647.70	1,279,625.00	2,530,900.00	5,661,800.00	26,844,237.52
2028	--	11,855,931.26	--	--	758,473.56	5,545,120.66	1,279,625.00	2,530,900.00	5,661,800.00	27,631,850.48
2029	--	12,393,968.76	--	--	734,945.16	5,858,291.86	1,279,625.00	2,530,900.00	5,661,800.00	28,459,530.78
2030	--	12,952,362.50	--	--	776,065.16	6,126,889.00	2,629,625.00	3,575,900.00	5,661,800.00	31,722,641.66
2031	--	13,530,431.26	--	--	825,747.16	6,562,353.46	2,730,625.00	3,729,100.00	5,661,800.00	33,040,056.88
2032	--	14,139,193.76	--	--	883,083.56	6,868,870.96	2,830,425.00	3,889,500.00	5,661,800.00	34,272,873.28
2033	--	14,803,750.00	--	--	928,966.76	7,154,255.66	2,943,825.00	4,051,500.00	7,251,800.00	37,134,097.42
2034	--	15,470,412.50	--	--	987,198.36	7,488,615.66	3,050,025.00	4,224,700.00	7,557,300.00	38,778,251.52
2035	--	16,164,862.50	--	--	1,053,730.46	7,825,479.36	3,169,025.00	4,403,300.00	7,878,550.00	40,494,947.32
2036	--	16,890,475.00	--	--	1,113,413.46	8,183,068.10	3,290,025.00	4,591,700.00	8,213,800.00	42,282,481.56
2037	--	17,649,962.50	--	--	1,185,705.40	8,552,178.06	3,412,625.00	4,789,100.00	8,561,300.00	44,150,870.96
2038	--	18,445,375.00	--	--	1,260,184.36	8,932,004.90	3,542,975.00	4,992,050.00	8,924,300.00	46,096,889.26
2039	--	19,273,100.00	--	--	1,341,709.66	9,343,241.36	3,677,025.00	5,201,450.00	9,305,800.00	48,142,326.02
2040	--	20,139,193.76	--	--	--	11,234,264.30	3,819,475.00	5,421,850.00	9,703,550.00	50,318,333.06
2041	--	21,043,718.76	--	--	--	11,775,895.30	3,959,875.00	5,652,650.00	10,115,300.00	52,547,439.06
2042	--	21,986,075.00	--	--	--	12,347,442.50	4,108,075.00	5,893,250.00	10,543,800.00	54,878,642.50
2043	--	--	--	--	--	34,502,223.46	4,267,468.76	6,144,750.00	10,991,000.00	55,905,442.22
2044	--	--	--	--	--	6,879,188.26	4,565,925.00	6,407,250.00	11,455,000.00	29,307,363.26
2045	--	--	--	--	--	--	--	6,680,250.00	11,944,000.00	18,624,250.00
2046	--	--	--	--	--	--	--	6,963,250.00	12,450,800.00	19,414,050.00
2047	--	--	--	--	--	--	--	7,260,750.00	12,978,400.00	20,239,150.00
2048	--	--	--	--	--	--	--	7,567,125.00	13,529,600.00	21,096,725.00
2049	--	--	--	--	--	--	--	7,891,875.00	14,102,000.00	21,993,875.00
2050	--	--	--	--	--	--	--	8,224,250.00	14,708,200.00	22,932,450.00
2051	--	--	--	--	--	--	--	8,558,750.00	15,345,200.00	23,903,950.00
Total	$9,133,804.17	$263,497,143.82	$24,808,500.00	$2,602,800.00	$19,025,186.42	$193,569,682.54	$65,203,143.76	$146,513,750.00	$275,817,055.28	$1,000,171,065.99

(1) Reflects gross debt service on the Series Q Bonds, which were designated as federally-taxable "Qualified School Construction Bonds" pursuant to an irrevocable election by the District to have Section 6431(f)(3)(B) of the Internal Revenue Code apply thereto. As a result, the District expects to receive, on or about each interest payment date, a cash subsidy (the "Subsidy Payment") from the United States Treasury (the "Treasury") equal to the lesser of (a) the interest payable on such Series Q Bonds or (b) the amount of interest that would have been payable on each such interest payment date if such interest were determined at a federally-determined tax credit rate on the date of the sale of the Series Q Bonds. 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 American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). The Subsidy Payments are subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payments by 5.7% for the current federal fiscal year ending September 30, 2021 through the federal fiscal year ending September 30, 2030. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise affects the sequester, at which time the Sequestration Reduction rate is subject to change. However, notwithstanding any such reduction, the County Board of Supervisors is empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the Series Q Bonds. The Subsidy Payments are not pledged to payment of the Series Q Bonds. However, the District may choose to transfer all or a portion of any Subsidy Payment received to the County Treasurer for deposit in the debt service fund for the Series Q Bonds.

(2) The proceeds from the sale of the 2020 Refunding Bonds were utilized to refund bonds issued under both the 2008 Authorization and the 2015 Authorization.

Source: San Mateo-Foster City School District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar Bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-

EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds are attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the proceeds general obligation bonds can only be used to finance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's pooled investment fund, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – SAN MATEO COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Expanded Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District will covenant for the benefit of the respective Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), and to provide notices of the occurrence of certain listed events. The obligation to file Annual Reports and notices of listed events will commence with the report for the 2022-23 fiscal year. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. Within the past five years, the District misreported its basic aid status in its annual report for fiscal year 2018-19. Within the past five years, the District has also failed to file notices of certain listed events, as required by its then-existing continuing disclosure obligations.

The District has retained Keygent LLC as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure obligations, as well as the undertaking entered into in connection with the Bonds.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Financial Statements

The District's audited financial statements with supplemental information for the year ended June 30, 2022, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated report dated December 15, 2022 of Chavan & Associates LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Legal Opinion

The legal opinion of Bond Counsel approving the validity of the Bonds will be supplied to the original purchaser thereof without cost. The proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

S&P and Moody's have assigned ratings of "AA+" and "Aaa", respectively, to the Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007 and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE

CERTIFICATE FOR THE BONDS" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Underwriting

Purchase of Bonds. Stifel, Nicolaus & Company, Incorporated, as representative on behalf of itself and Piper Sandler & Co. (the "Underwriters"), have agreed, pursuant to a purchase contract by and between the District and the Underwriters, to purchase all of the Bonds (the "Purchase Contract"). The Underwriters will purchase the Bonds for a purchase price of $154,806,378.55 (consisting of the initial principal amount of the Bonds of $150,000,000.00, plus net original issue premium of $5,368,878.55, and less an Underwriters' discount of $562,500.00).

The purchase contracts for the Bonds provide that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contracts, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

Underwriters' Disclosures. *The Underwriters have provided the following paragraph for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.*

Piper Sandler & Co., one of the Underwriters, has entered into a distribution agreement (the "Schwab Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Schwab Agreement, CS&Co. will purchase the Bonds from Piper Sandler & Co. at the original issue price less a negotiated portion of the selling concession applicable to any of the Bonds that CS&Co. sells.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Certain of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By: /s/ Diego R. Ochoa
Superintendent

APPENDIX A

FORM OF OPINION OF BOND COUNSEL FOR THE BONDS

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

April 18, 2023

Board of Trustees
San Mateo-Foster City School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $150,000,000 San Mateo-Foster City School District Election of 2020 General Obligation Bonds, Series B (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Act"), commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the San Mateo-Foster City School District (the "District") voting at an election held on November 3, 2020, and a resolution of the Board of Trustees of the District (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount.

Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

[THIS PAGE INTENTIONALLY LEFT BLANK]

SAN MATEO-FOSTER CITY
SCHOOL DISTRICT

COUNTY OF SAN MATEO
FOSTER CITY, CALIFORNIA

AUDIT REPORT

JUNE 30, 2022

Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste. 130
Morgan Hill, CA 95037

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SAN MATEO COUNTY
TABLE OF CONTENTS

TABLE OF CONTENTS

FINANCIAL SECTION

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
San Mateo-Foster City School District
Foster City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of San Mateo-Foster City 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 San Mateo-Foster City School District's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

Deficit Net Position

As of June 30, 2022, the District's net position in its Government-wide financial statements and its internal service fund was at a deficit mostly because of the long-term pension and OPEB liabilities and deferrals as reported in Notes 8. Our opinion is not modified with respect to this matter.

New Accounting Standards

During the year, the District implemented GASB Statement No. 87, *Leases.* As a result, the District recorded a right of use asset and lease liability of $751,666. See note 1 for additional information. Our opinion was not modified for this matter.

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Responsibilities of Management for the Financial Statements

District 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.

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

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

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, as required by the Governmental Accounting Standards Board, organization schedule, schedule of average daily attendance, schedule of instructional time offered, schedule of charter schools, schedule of financial trends and analysis, and the reconciliation of the Annual Financial and Budget report to the audited financial statements, as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are the responsibility of management and were 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 combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The organization schedule, schedule of charter schools, and schedule of financial trends and analysis included have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of San Mateo-Foster City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 San Mateo-Foster City School District's internal control over financial reporting and compliance.

C & A LLP

December 15, 2022
Morgan Hill, California

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

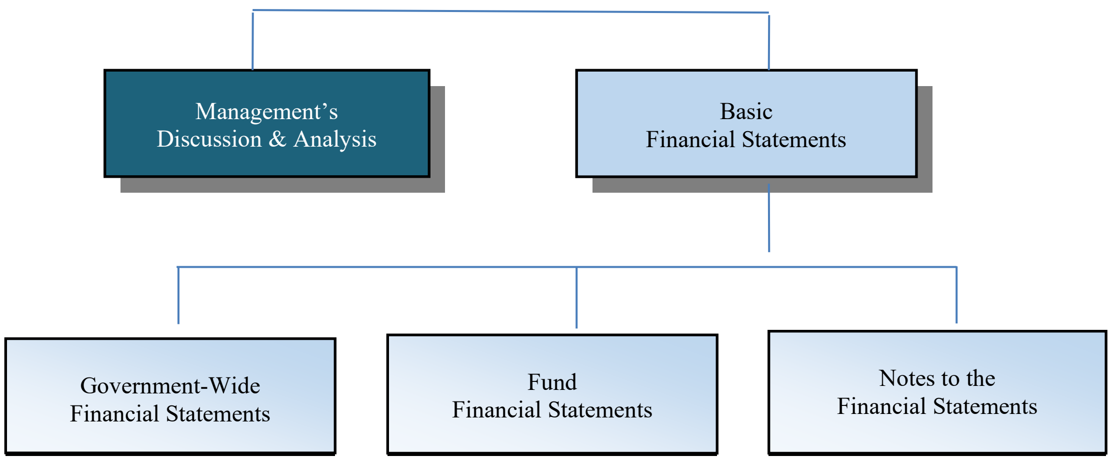
Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022 were as follows:

- Total net position increased by $32,178,169 (77%), which included a $17,366,289 prior period adjustment related to the District's capital assets in 2022.

- The District recorded deferred outflows of resources of $72,769,574 and deferred inflows of resources of $93,310,660 as required by GASB 68 and GASB 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.

- The District had $210,602,406 in government-wide expenses which is 93% of total government-wide revenues. Program specific revenues in the form of operating grants and contributions and charges for services accounted for $50,563,666, or 22%, of the total revenues of $225,414,286.

- General revenue of $174,850,620 which includes property taxes, unrestricted federal and state grants and LCFF sources, was 78% of total revenues in 2022 versus 81% in 2021.

- The fund balances of all governmental funds decreased by $28,805,664 which was a 10% decrease from 2021. This was mainly due to spending down spending down bond proceeds in the Building Fund.

- Total governmental fund revenues and expenditures totaled $215,520,545 and $245,001,802 respectively.

USING THE ANNUAL REPORT

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2021 - 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District has business-type activities for its Children's Annex, Bayside Theatre program, fee-based preschool, and food services co-op, which are reported in an enterprise fund and in the government-wide financial statements.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on with the Balance Sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Building Fund, Capital Facilities Fund, and the Bond Interest and Redemption Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds

When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's enterprise funds are included within the business-type activities and reported in the district-wide statements but provide more detail and additional information, such as cash flows. The District charges fees to help it cover the costs of certain services it provides. The District's Children's Annex, Bayside Theatre program, fee based preschool and food services co-op are included in the proprietary funds.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2022 as compared to June 30, 2021:

Table 1 - Summary of Statement of Net Position

	Governmental Activities			Business-type Activities		
Description	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Assets						
Current and OtherAssets	$ 282,571,937	$ 297,486,304	-5.0%	$ 5,706,150	$ 4,590,801	24.3%
Capital Assets	385,823,399	342,901,409	12.5%	-	-	0.0%
Total Assets	**$ 668,395,336**	**$ 640,387,713**	**4.4%**	**$ 5,706,150**	**$ 4,590,801**	**24.3%**
Total Deferred Outflows of Resources	**$ 71,009,938**	**$ 67,061,296**	**5.9%**	**$ 1,759,636**	**$ 2,169,847**	**-18.9%**
Liabilities						
Current Liabilities	$ 28,139,817	$ 13,929,520	102.0%	$ 547,056	$ 1,049,176	-47.9%
Long-term Liabilities	625,891,681	691,801,527	-9.5%	8,722,989	12,872,845	-32.2%
Total Liabilities	**$ 654,031,498**	**$ 705,731,047**	**-7.3%**	**$ 9,270,045**	**$ 13,922,021**	**-33.4%**
Total Deferred Inflows of Resources	**$ 90,282,569**	**$ 35,308,627**	**155.7%**	**$ 3,028,091**	**$ 1,167,274**	**159.4%**
Net Position						
Net Investment in Capital Assets	$ 101,138,766	$ 84,383,859	19.9%	$ -	$ -	0.0%
Restricted	77,709,035	64,994,423	19.6%	-	-	0.0%
Unrestricted	(183,756,594)	(182,968,947)	-0.4%	(4,832,350)	(8,328,647)	42.0%
Total Net Position	**$ (4,908,793)**	**$ (33,590,665)**	**85.4%**	**$ (4,832,350)**	**$ (8,328,647)**	**42.0%**

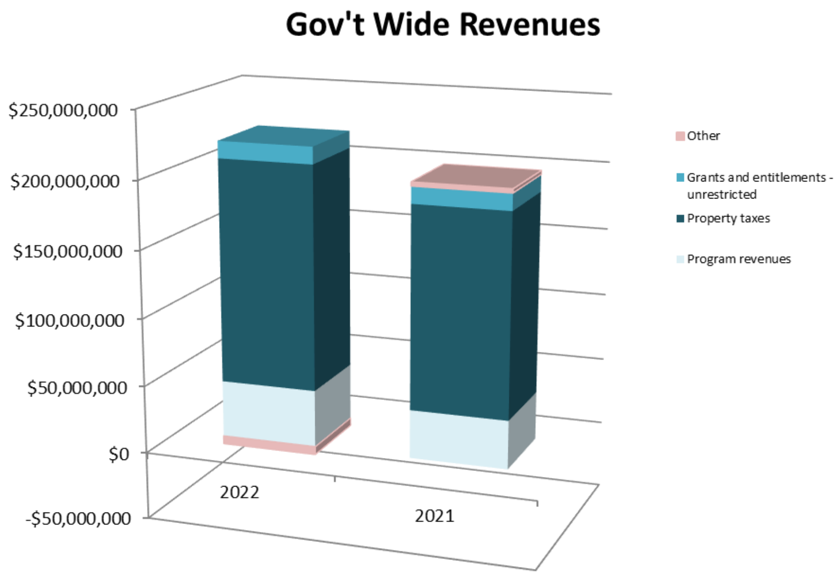
During the year, deferred outflows of resources decreased by 19%, deferred inflows of resources increased by 159.4%, and long-term liabilities decreased by 32% mostly due to the changes in pension and OPEB actuarial assumptions related to GASB 68 and GASB 75, respectively. GASB 68 requires all local governments that participate in cost sharing pension plans to record its proportionate share of net pension liabilities from pension plans in the government-wide financial statements.

Table 2 shows the changes in net position for fiscal year 2022 as compared to 2021:

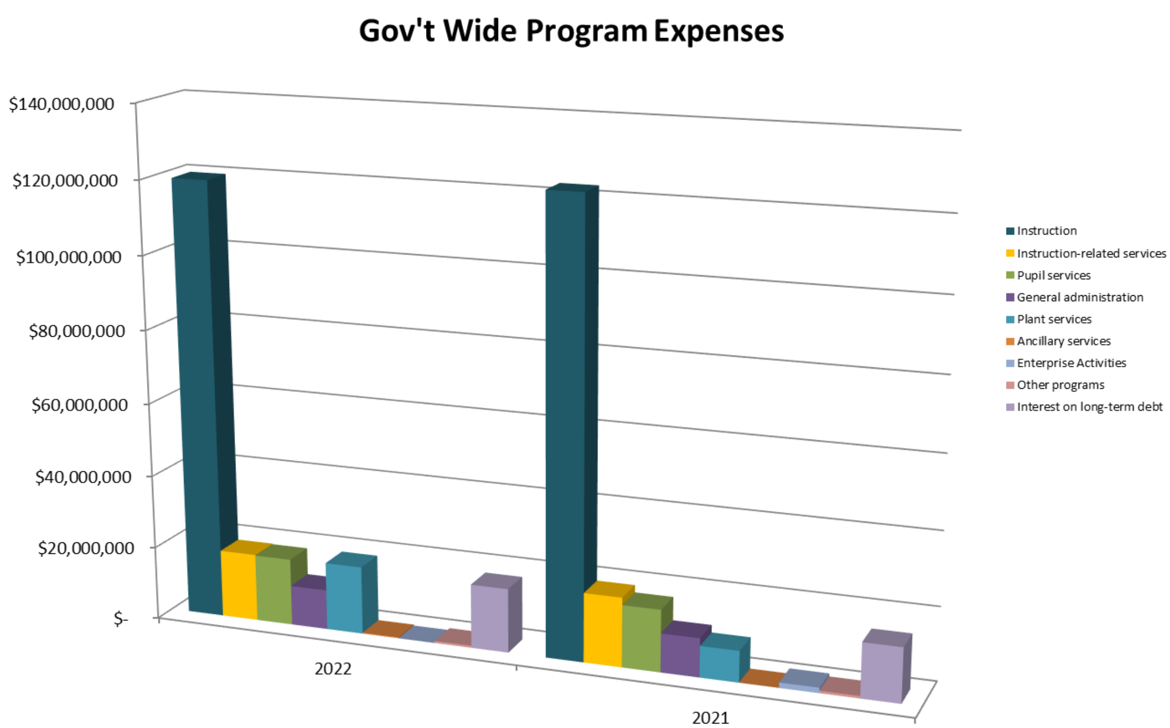
Table 2 - Summary of Changes in Statement of Activities						
	Governmental Activities			Business-type Activities		
Description	2022	2021	% Change	2022	2021	% Change
Revenues						
Program revenues	$ 42,424,792	$ 35,862,531	18.3%	$ 8,138,874	$ 3,122,483	160.7%
General revenues:						
Property taxes	166,192,954	149,728,231	11.0%	-	-	0.0%
Grants and entitlements, unrestricted	12,688,872	12,595,435	0.7%	-	-	0.0%
Other	(5,862,149)	2,838,279	-306.5%	1,830,943	(687,048)	366.5%
Total Revenues	215,444,469	201,024,476	7.2%	9,969,817	2,435,435	309.4%
Program Expenses						
Instruction	119,587,430	122,757,709	-2.6%	-	-	0.0%
Instruction-related services	18,466,735	18,913,063	-2.4%	-	-	0.0%
Pupil services	18,309,132	16,922,830	8.2%	-	-	0.0%
General administration	10,915,205	10,580,878	3.2%	-	-	0.0%
Plant services	18,562,967	8,548,955	117.1%	-	-	0.0%
Ancillary services	258,171	43,292	496.3%	-	-	0.0%
Enterprise	-	1,466,807	0.0%	6,473,520	6,843,534	-5.4%
Other program expenses	567,334	662,318	-14.3%	-	-	0.0%
Interest on long-term debt	17,461,912	14,868,533	17.4%	-	-	0.0%
Total Expenses	204,128,886	194,764,385	4.8%	6,473,520	6,843,534	-5.4%
Change in Net Position	11,315,583	6,260,091	-80.8%	3,496,297	(4,408,099)	179.3%
Begininng Net Position	(33,590,665)	(43,939,600)	23.6%	(8,328,647)	(3,920,548)	-112.4%
Prior Period Adjustments	17,366,289	4,088,844	100.0%	-	-	0.0%
Ending Net Position	**$ (4,908,793)**	**$ (33,590,665)**	**85.4%**	**$ (4,832,350)**	**$ (8,328,647)**	**42.0%**

The District's expenses for instructional services were 66% of total expenses in 2021-22 as compared to 70% in 2020-21. The purely administrative activities of the District accounted for 5% of total costs in both the 2021-22 and 2020-21 periods. Interest on long-term debt represented 8% of total expenses in 2021-22 as compared to 7% in 2020-21. Total expenses were 93% of revenue in 2021-22 versus 99% in 2020-21. Program revenues were 22% of total revenues in 2021-22 and 19% of total revenues in 2020-21.

The following is a summary of government wide revenues for the fiscal year ended June 30, 2022:



The following is a summary of expenses by function for the fiscal year ended June 30, 2022:



GOVERNMENTAL ACTIVITIES

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

Table 3 - Net Cost of Services Governmental Activities

Description	2022	2021	Change	% Change
Instruction	$ 98,942,173	$ 101,654,209	$ (2,712,036)	-2.7%
Instruction-related services	16,488,136	16,715,462	(227,326)	-1.4%
Pupil services	7,297,978	11,878,686	(4,580,708)	-38.6%
General administration	9,848,290	9,827,053	21,237	0.2%
Plant services	18,019,249	7,056,539	10,962,710	155.4%
Ancillary services	222,149	38,725	183,424	473.7%
Enterprise Activities	-	(27,449)	27,449	0.0%
Other programs	(6,575,793)	(3,109,904)	(3,465,889)	-52.7%
Interest on long-term debt	17,461,912	14,868,533	2,593,379	17.4%
Total Net Cost of Services	**$ 161,704,094**	**$ 158,901,854**	**$ 2,802,240**	**1.8%**

The following summarizes the District's functions:

- *Instruction* expenditures include activities directly dealing with the teaching of pupils.
- *Instruction-related Services* include the activities involved with assisting staff with the content and process of educating students.
- *Pupil Services* include guidance and counseling, psychological, health, speech and testing services, transporting students, as well as preparing, delivering, and serving meals to students.
- *General Administration* reflects expenditures associated with the administrative and financial supervision of the School District. Typical functions would include the Board of Trustees and Superintendent, Human Resources, Data Processing and Business Services.
- *Plant Services* involve keeping the school grounds and equipment in effective working condition.
- *Ancillary Services* represent the expenditures associated with co-curricular and athletic programs.
- *Community Services* are expenses related to direct support around the community.
- *Other Outgo* includes tuitions and transfers of resources between the District and other educational agencies for services provided to District students.

THE DISTRICT'S FUNDS

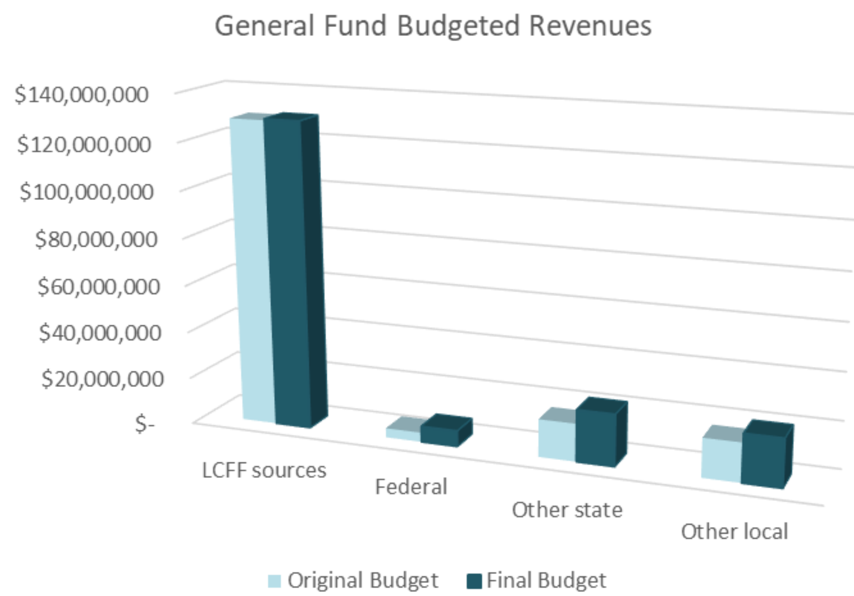
Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

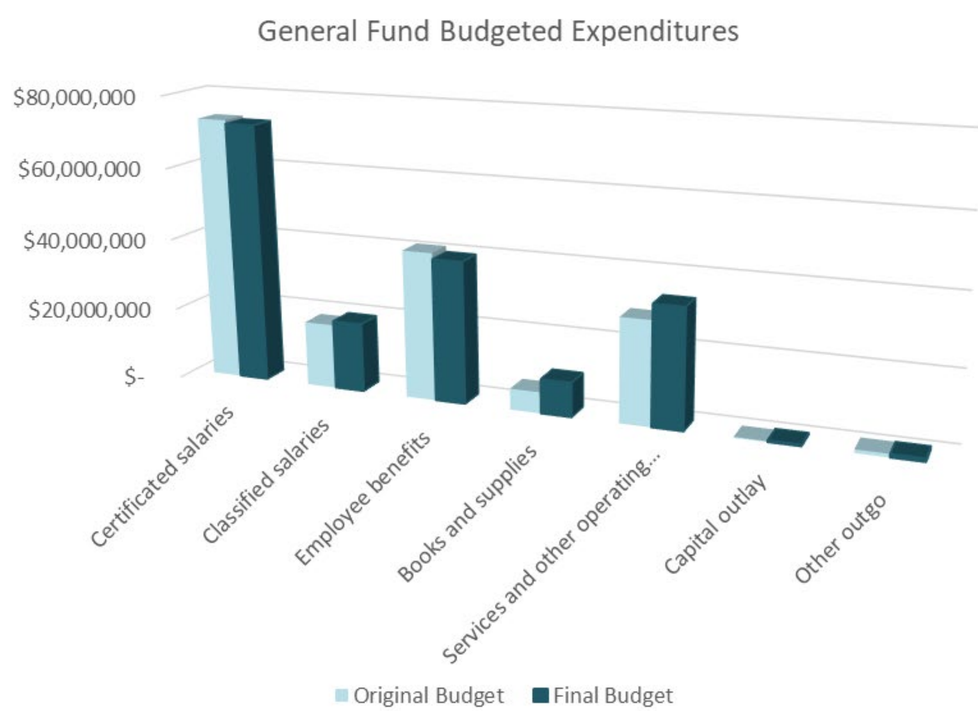
Table 4 - Summary of Fund Balances

Description	2022	2021	Change	% Change
General Fund	$ 97,465,508	$ 92,647,545	$ 4,817,963	5.2%
Building Fund	98,032,767	139,903,133	(41,870,366)	-29.9%
Capital Facilities Fund	5,911,591	4,875,791	1,035,800	21.2%
Bond Interest and Redemption Fund	36,297,694	30,690,228	5,607,466	18.3%
Nonmajor Funds	21,366,560	19,763,087	1,603,473	8.1%
Total Fund Balances	**$ 259,074,120**	**$ 287,879,784**	**$ (28,805,664)**	**-10.0%**

FINANCIAL ANALYSIS OF THE GENERAL FUND AND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law and in the modified accrual basis of accounting. During the course of the 2021-22 fiscal year, the District revised its General Fund budget twice, at 1st Interim and 2nd interim. The following charts summarize the changes from the District's original and final budgets.





CAPITAL ASSETS

Table 5 shows June 30, 2022 balances as compared to June 30, 2021.

Table 5 - Summary of Capital Assets Net of Depreciation

Description	2022	2021	Change	% Change
Land	$ 42,276,727	$ 10,269,460	$ 32,007,267	311.67%
Work-in-Progress	43,247,606	118,593,096	(75,345,490)	-63.53%
Site Improvements	203,541,954	18,746,495	184,795,459	985.76%
Buildings	96,670,931	189,503,354	(92,832,423)	-48.99%
Furniture and Equipment	86,181	5,789,004	(5,702,823)	-98.51%
Total Capital Assets - Net	**$ 385,823,399**	**$ 342,901,409**	**$ 42,921,990**	**12.52%**

LONG TERM DEBT

Table 6 summarizes the percent changes in Long-term Debt over the past two years.

Table 6 - Summary of Long-term Liabilities

Description	2022	2021	Change	% Change
Bonds	$ 469,144,171	$ 479,770,740	$ (10,626,569)	-2.21%
Right to Use Lease Obligation	568,650	-	568,650	100.00%
Total OPEB Liability	73,085,658	63,170,039	9,915,619	15.70%
Compensated Absences	480,473	428,739	51,734	12.07%
Net Pension Liabilities	91,335,718	161,304,853	(69,969,135)	-43.38%
Total Long-term Liabilities	**$ 634,614,670**	**$ 704,674,371**	**$ (70,059,701)**	**-9.94%**

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are several factors that will affect the San Mateo-Foster City School District's future.

One significant issue the District will face over the next few years is higher costs arising from scheduled pension contribution rate increases.

The District is a community-funded district, deriving a majority of its revenue from local property taxes and very little funding from the State. As a community-funded district, student enrollment growth does not provide additional revenues as in State-funded districts and so presents a challenge, as does the general economy. Current projections predict a further decline in enrollment over the next several years. However the impact of COVID-19 on enrollment is currently unknown. The District's 2021-22 Adopted Budget included an increase in secured property tax, that portion of property tax generated from assessed values of land and structures. It should be noted that property taxes are difficult to predict. The District relies on community support with generous contributions from its foundation and two parcel taxes. One of these parcel taxes is evergreen. In November of 2018, the community overwhelmingly approved a new nine-year parcel tax (Measure V) which will provide a consistent and reliable source of revenue generating approximately $10 million annually. The

District maintains healthy reserves for economic uncertainties to weather economic adversity and provides the fiscal flexibility to address such issues as they arise.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the District's Director of Fiscal Services, Blanca Cervantes-Madrigal, San Mateo-Foster City School District, 1170 Chess Drive, Foster City, California, 94404, or e-mail to at bcervantes@smfc.k12.ca.us.

Basic Financial Statements

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and investments	$ 270,216,559	$ 5,379,440	$ 275,595,999
Accounts receivable	10,871,619	376,864	11,248,483
Other assets	1,433,605	-	1,433,605
Internal balances	50,154	(50,154)	-
Total current assets	282,571,937	5,706,150	288,278,087
Noncurrent assets:			
Non-depreciable capital assets	128,862,556	-	128,862,556
Depreciable capital assets - net	256,960,843	-	256,960,843
Total noncurrent assets	385,823,399	-	385,823,399
Total Assets	$ 668,395,336	$ 5,706,150	$ 674,101,486
Deferred Outflows of Resources			
OPEB adjustments	$ 10,131,645	$ 386,534	$ 10,518,179
Pension adjustments	45,567,218	1,373,102	46,940,320
Deferred loss on early retirement of debt	15,311,075	-	15,311,075
Total Deferred Outflows of Resources	$ 71,009,938	$ 1,759,636	$ 72,769,574
Liabilities			
Current liabilities:			
Accounts payable	$ 21,347,383	$ 251,033	$ 21,598,416
Unearned revenue	2,150,434	296,023	2,446,457
Accrued interest	4,642,000	-	4,642,000
Total current liabilities	28,139,817	547,056	28,686,873
Long-term liabilities:			
Due within one year	25,881,363	-	25,881,363
Due after one year	600,010,318	8,722,989	608,733,307
Total long-term liabilities	625,891,681	8,722,989	634,614,670
Total Liabilities	$ 654,031,498	$ 9,270,045	$ 663,301,543
Deferred Inflows of Resources			
OPEB adjustments	$ 18,449,727	$ 682,586	$ 19,132,313
Pension adjustments	71,832,842	2,345,505	74,178,347
Total Deferred Inflows of Resources	$ 90,282,569	$ 3,028,091	$ 93,310,660
Net Position			
Net investment in capital assets	$ 101,138,766	$ -	$ 101,138,766
Restricted for:			
Capital projects	21,404,377	-	21,404,377
Debt service	26,523,920	-	26,523,920
Cafeteria programs	3,281,536	-	3,281,536
Educational programs	26,499,202	-	26,499,202
Total restricted net position	77,709,035	-	77,709,035
Unrestricted	(183,756,594)	(4,832,350)	(188,588,944)
Total Net Position	$ (4,908,793)	$ (4,832,350)	$ (9,741,143)

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expense) Revenues and Changes in Net		
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	$ 119,587,430	$ 194,932	$ 20,450,325	$ (98,942,173)	$ -	$ (98,942,173)
Instruction-related services:						
Supervision of instruction	6,242,323	482	767,354	(5,474,487)	-	(5,474,487)
Instruction library, media and technology	1,083,865	20,042	99,882	(963,941)	-	(963,941)
School site administration	11,140,547	5,539	1,085,300	(10,049,708)	-	(10,049,708)
Pupil services:						
Home-to-school transportation	3,989,876	-	2,264	(3,987,612)	-	(3,987,612)
Food services	3,870,989	-	5,982,497	2,111,508	-	2,111,508
All other pupil services	10,448,267	45,567	4,980,826	(5,421,874)	-	(5,421,874)
General administration:						
Data processing	2,396,882	-	14,347	(2,382,535)	-	(2,382,535)
All other general administration	8,518,323	2,184	1,050,384	(7,465,755)	-	(7,465,755)
Plant services	18,562,967	3,176	540,542	(18,019,249)	-	(18,019,249)
Ancillary services	258,171	5,221	30,801	(222,149)	-	(222,149)
Other program expenses	567,334	1,482,657	5,660,470	6,575,793	-	6,575,793
Interest on long-term debt	17,461,912	-	-	(17,461,912)	-	(17,461,912)
Total governmental activities	$ 204,128,886	$ 1,759,800	$ 40,664,992	(161,704,094)	-	(161,704,094)
Business-type activities:						
The Children's Annex	3,174,460	4,485,376	33,436	-	1,344,352	1,344,352
Fee based preschool program	1,738,263	2,052,354	18,182	-	332,273	332,273
Food services super Co-op	1,464,481	1,480,393	-	-	15,912	15,912
Bayside Theatre	96,316	68,150	983	-	(27,183)	(27,183)
Total business-type activities	$ 6,473,520	$ 8,086,273	$ 52,601	-	1,665,354	1,665,354
General revenues and transfers:						
Taxes and subventions:						
Taxes levied for general purposes				119,747,625	-	119,747,625
Taxes levied for debt service				31,736,865	-	31,736,865
Taxes levied for other specific purposes				14,708,464	-	14,708,464
Federal and state aid non restricted to specific purposes				12,688,872	-	12,688,872
Interest and investment earnings				(6,969,052)	(123,959)	(7,093,011)
Miscellaneous				1,182,976	-	1,182,976
Special item - pension credit				-	1,878,829	1,878,829
Internal transfers				(76,073)	76,073	-
Total general revenues and transfers				173,019,677	1,830,943	174,850,620
Change in net position				11,315,583	3,496,297	14,811,880
Prior Period Adjustment - Capital Assets				17,366,289	-	17,366,289
Net position beginning				(33,590,665)	(8,328,647)	(41,919,312)
Net position ending				$ (4,908,793)	$ (4,832,350)	$ (9,741,143)

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	$ 95,513,832	$ 112,808,667	$ 6,058,236	$ 36,206,397	$ 19,629,427	$ 270,216,559
Accounts receivable	7,443,022	338,891	45,076	91,297	2,953,333	10,871,619
Due from other funds	297,291	191,446	-	-	177,285	666,022
Other assets	1,209,650	27,247	-	-	196,708	1,433,605
Total Assets	$ 104,463,795	$ 113,366,251	$ 6,103,312	$ 36,297,694	$ 22,956,753	$ 283,187,805
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 5,296,340	$ 15,333,484	$ 1,721	$ -	$ 715,838	$ 21,347,383
Due to other funds	135,564	-	190,000	-	290,304	615,868
Unearned revenue	1,566,383	-	-	-	584,051	2,150,434
Total Liabilities	6,998,287	15,333,484	191,721	-	1,590,193	24,113,685
Fund balances:						
Nonspendable:						
Revolving fund	35,000	-	-	-	-	35,000
Stores inventory	-	-	-	-	196,708	196,708
Prepaid expenses	1,209,650	-	-	-	-	1,209,650
Restricted for:						
Cafeteria programs	-	-	-	-	3,281,536	3,281,536
Capital projects	-	98,032,767	5,911,591	-	15,492,786	119,437,144
Educational programs	25,634,263	-	-	-	-	25,634,263
Legally restricted balances	-	-	-	-	864,939	864,939
Debt service	-	-	-	36,297,694	-	36,297,694
Committed for:						
Contingencies	5,100,489	-	-	-	-	5,100,489
Assigned for:						
Cafeteria programs	-	-	-	-	858,182	858,182
Vacation	500,000	-	-	-	-	500,000
Supplemental	1,179,089	-	-	-	-	1,179,089
Educational programs	12,683,567	-	-	-	300,450	12,984,017
Insurance	791,595	-	-	-	-	791,595
Technology upgrade and refresh	700,000	-	-	-	-	700,000
Payroll reserves	10,894,844	-	-	-	-	10,894,844
Professional development	2,500,000	-	-	-	-	2,500,000
Deferred maintenance projects	5,805,973	-	-	-	-	5,805,973
Retiree benefits	25,306,189	-	-	-	-	25,306,189
Capital projects	-	-	-	-	371,959	371,959
Unassigned:						
Economic uncertainties	5,124,849	-	-	-	-	5,124,849
Total Fund Balances	97,465,508	98,032,767	5,911,591	36,297,694	21,366,560	259,074,120
Total Liabilities and Fund Balances	$ 104,463,795	$ 113,366,251	$ 6,103,312	$ 36,297,694	$ 22,956,753	$ 283,187,805

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - governmental funds		$ 259,074,120
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets at cost	$ 509,753,018	
Accumulated depreciation	(123,929,619)	385,823,399
The differences from pension plan assumptions in actuarial valuations are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows of resources in the Statement of Net Position.		(71,832,842)
Deferred outflows of resources include amounts that will not be included in the calculation of the District's net pension liability of the plan year included in this report such as current fiscal year contributions as recorded in the fund statements.		45,567,218
The differences between projected and actual amounts in OPEB plans are not included in the plans actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position as follows:		
OPEB adjustments:		
Change in assumptions	$ 10,131,645	
Changes in experience and benefits	(18,449,727)	(8,318,082)
Interest payable on long-term debt does not require the use of current financial resources and, therefore, are not reported in the governmental funds.		(4,642,000)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
General obligation and revenue bonds	$ 469,144,171	
Loss on early retirement of long-term debt	(15,311,075)	
Right to use leases	568,650	
Net pension obligations	86,695,861	
Total OPEB liability	69,002,526	
Compensated absences (vacation)	480,473	(610,580,606)
Total net position - governmental activities		$ (4,908,793)

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

SAN MATEO-FOSTER CITY 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	Capital Facilities Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
LCFF sources	$ 129,793,538	$ -	$ -	$ -	$ -	$ 129,793,538
Federal revenue	6,538,006	-	-	-	5,953,025	12,491,031
Other state	20,590,347	-	-	101,750	3,487,744	24,179,841
Other local	17,972,697	(2,358,334)	1,257,376	32,381,789	(197,393)	49,056,135
Total revenues	174,894,588	(2,358,334)	1,257,376	32,483,539	9,243,376	215,520,545
Expenditures:						
Current						
Instruction	111,855,729	-	-	-	2,048,001	113,903,730
Instruction-related services:						
Supervision of instruction	6,453,812	-	-	-	-	6,453,812
Instruction library, media and technology	1,120,587	-	-	-	-	1,120,587
School site administration	11,035,577	-	-	-	482,411	11,517,988
Pupil services:						
Home-to-school transportation	3,936,177	-	-	-	-	3,936,177
Food services	150	-	-	-	3,963,600	3,963,750
All other pupil services	10,802,254	-	-	-	-	10,802,254
General administration:						
Data processing	2,478,089	-	-	-	-	2,478,089
All other general administration	7,630,909	-	-	-	275,352	7,906,261
Plant services	13,164,708	-	21,834	-	238,628	13,425,170
Facilities acquisition and construction	1,286,168	39,512,032	199,742	-	591,010	41,588,952
Ancillary services	266,918	-	-	-	-	266,918
Payments to other agencies	567,334	-	-	-	-	567,334
Debt service:						
Principal	183,016	-	-	16,585,000	-	16,768,016
Interest and fees	11,691	-	-	10,291,073	-	10,302,764
Total expenditures	170,793,119	39,512,032	221,576	26,876,073	7,599,002	245,001,802
Excess (deficiency) of revenues over (under) expenditures	4,101,469	(41,870,366)	1,035,800	5,607,466	1,644,374	(29,481,257)
Other financing sources (uses):						
Transfers in	-	-	-	-	35,172	35,172
Transfers out	(35,172)	-	-	-	(76,073)	(111,245)
Lease financing	751,666	-	-	-		751,666
Total other financing sources (uses)	716,494	-	-	-	(40,901)	675,593
Net changes in fund balances	4,817,963	(41,870,366)	1,035,800	5,607,466	1,603,473	(28,805,664)
Fund balances beginning	92,647,545	139,903,133	4,875,791	30,690,228	19,763,087	287,879,784
Fund balances ending	$ 97,465,508	$ 98,032,767	$ 5,911,591	$ 36,297,694	$ 21,366,560	$ 259,074,120

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds		$ (28,805,664)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital assets additions, net disposals and adjustments	$ 37,333,752	
Depreciation and amortization expense	(11,778,051)	25,555,701
Accreted interest on capital appreciation bonds is not recorded in the governmental funds but is required to be recorded under the accrual basis of accounting in the government wide financial statements.		(7,114,418)
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Repayment of debt principal		16,585,000
Amortization of loss on early retirement of long-term debt		(881,717)
Right to use lease proceeds		(751,666)
Right to use lease principal		183,016
Discounts and premiums related to bond issues are recorded as other financing sources and uses in the fund financial statements, but are recorded as assets or liabilities and amortized over the life of the bond in the statement of net position:		1,155,987
In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation earned exceeded the amounts used by:		(51,734)
In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.		8,089,640
In governmental funds, actual contributions to OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.		(2,329,562)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(319,000)
Changes in net position of governmental activities		$ 11,315,583

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	The Children's Annex	Fee Based Preschool Program	Food Services Super CO-OP	Bayside Theatre	Total Enterprise Funds
Assets					
Cash and investments	$ 3,929,116	$ 856,109	$ 566,265	$ 27,950	$ 5,379,440
Accounts receivable	29,224	71	347,569	-	376,864
Due from other funds	492	-	-	-	492
Total Assets	$ 3,958,832	$ 856,180	$ 913,834	$ 27,950	$ 5,756,796
Deferred Outflows of Resources					
OPEB Adjustments	$ 245,702	$ 133,610	$ -	$ 7,222	$ 386,534
Pension adjustments	872,817	474,629	-	25,656	1,373,102
Total Deferred Outflows of Resources	$ 1,118,519	$ 608,239	$ -	$ 32,878	$ 1,759,636
Liabilities					
Current liabilities:					
Accounts payable	$ 2,625	$ 6,503	$ 236,778	$ 5,127	$ 251,033
Due to other funds	9,367	1,279	40,000	-	50,646
Unearned revenue	80,067	215,956	-	-	296,023
Total current liabilities	92,059	223,738	276,778	5,127	597,702
Long-term liabilities:					
Total OPEB liabilities	2,595,458	1,411,382	-	76,292	4,083,132
Net pension obligations	2,949,343	1,603,820	-	86,694	4,639,857
Total long-term liabilities	5,544,801	3,015,202	-	162,986	8,722,989
Total Liabilities	$ 5,636,860	$ 3,238,940	$ 276,778	$ 168,113	$ 9,320,691
Deferred Inflows of Resources					
OPEB Adjustments	$ 433,888	$ 235,944	$ -	$ 12,754	$ 682,586
Pension adjustments	1,490,929	810,751	-	43,825	2,345,505
Total Deferred Inflows of Resources	$ 1,924,817	$ 1,046,695	$ -	$ 56,579	$ 3,028,091
Net Position					
Unrestricted	$ (2,484,326)	$ (2,821,216)	$ 637,056	$ (163,864)	$ (4,832,350)
Total Net Position	$ (2,484,326)	$ (2,821,216)	$ 637,056	$ (163,864)	$ (4,832,350)

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	The Children's Annex	Fee Based Preschool Program	Food Services Super CO-OP	Bayside Theatre	Total Enterprise Funds
Operating Revenues					
State revenue	$ 33,436	$ 18,182	$ -	$ 983	$ 52,601
Local revenue	4,485,376	2,052,354	1,480,393	68,150	8,086,273
Total Operating Revenues	4,518,812	2,070,536	1,480,393	69,133	8,138,874
Operating Expenses					
Certificated salaries	342,431	55,576	-	-	398,007
Classified salaries	1,749,215	1,084,629	-	63,543	2,897,387
Employee benefits	1,005,340	563,811	-	24,222	1,593,373
Books and supplies	40,714	11,853	-	470	53,037
Services and other operating expenses	36,760	22,394	1,464,481	8,081	1,531,716
Total Operating Expenses	3,174,460	1,738,263	1,464,481	96,316	6,473,520
Operating Income (Loss)	1,344,352	332,273	15,912	(27,183)	1,665,354
Nonoperating Revenues (Expenses):					
Interest income	(87,103)	(25,691)	(10,326)	(839)	(123,959)
Income Before Transfers	1,257,249	306,582	5,586	(28,022)	1,541,395
Transfers from Other Funds	-	76,073	-	-	76,073
Transfers to Other Funds	-	-	-	-	-
	-	76,073	-	-	76,073
Special item: pension credit	1,194,285	649,438	-	35,106	1,878,829
Change in Net Position	2,451,534	1,032,093	5,586	7,084	3,496,297
Prior Period Adjustments	645,104	(660,716)	-	15,612	-
Beginning Net Position	(5,580,964)	(3,192,593)	631,470	(186,560)	(8,328,647)
Ending Net Position	$ (2,484,326)	$ (2,821,216)	$ 637,056	$ (163,864)	$ (4,832,350)

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2022

	The Children's Annex	Fee Based Preschool Program	Food Services Super CO-OP	Bayside Theatre	Total Enterprise Funds
Cash Flows from Operating Activities					
Receipts from customers	$ 4,111,614	$ 2,109,518	$ 1,576,680	$ 69,133	$ 7,866,945
Payments to employees	(3,588,160)	(1,892,419)	40,000	(87,765)	(5,528,344)
Payments to vendors	(148,874)	(37,340)	(1,539,756)	(9,529)	(1,735,499)
Net cash provided by (used for) operating activities	374,580	179,759	76,924	(28,161)	603,102
Cash Flows from Noncapital Financing Activities					
Transfers in	-	76,073	-	-	76,073
Transfer out	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	76,073	-	-	76,073
Cash Flows from Investing Activities					
Interest income	(87,103)	(25,691)	(10,326)	(839)	(123,959)
Increase (decrease) in Cash and Cash Equivalents	287,477	230,141	66,598	(29,000)	555,216
Cash and Cash Equivalents - Beginning	3,641,639	625,968	499,667	56,950	4,824,224
Cash and Cash Equivalents - Ending	$ 3,929,116	$ 856,109	$ 566,265	$ 27,950	$ 5,379,440
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income	$ 1,344,352	$ 332,273	$ 15,912	$ (27,183)	$ 1,665,354
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Pension credit	1,194,285	649,438	-	35,106	1,878,829
Decrease (increase) in operating assets					
Accounts receivable	(16,771)	(71)	96,287	-	79,445
Due from other funds	(492)	60,329	-	-	59,837
Deferred outflows of resources	378,676	21,016	-	10,519	410,211
Increase (decrease) in operating liabilities					
Accounts payable	(71,400)	(3,093)	(75,275)	(978)	(150,746)
Due to other funds	(490,683)	(248,732)	40,000	-	(699,415)
Unearned revenue	(390,427)	39,053	-	-	(351,374)
Deferred inflows of resources	1,119,398	708,185	-	33,234	1,860,817
Total OPEB liabilities	663,323	(332,521)	-	17,201	348,003
Net pension obligations	(3,355,681)	(1,046,118)	-	(96,060)	(4,497,859)
Net cash provided by (used for) operating activities	$ 374,580	$ 179,759	$ 76,924	$ (28,161)	$ 603,102

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

The San Mateo-Foster City School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2022, the District had the following component units: The San Mateo-Foster City School District Public Education Facilities Financing Corporation whose purpose is to finance the construction of facilities to be used for the direct benefit of the District. However, there has been no financial activity for the past few years.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Eliminations have been made to minimize the effect of interfund activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of Statement of Revenues, Expenditures, and Changes in Fund Balances 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 that 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.

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 nonmajor funds are aggregated into one column. The enterprise funds are presented by fund type on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues result from non-exchange transactions or ancillary activities.

Fiduciary funds are reported using the economic resources measurement focus when applicable.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. 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. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

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 specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply.

The sources of authoritative GAAP are categorized in descending order of authority as follows:

a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Deferred Outflow of Resources and Deferred Inflow 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. The District has recognized a deferred loss on refunding which is reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension and OPEB liabilities reported in the Statement of Net Position.

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

Unearned Revenue:

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity or retained earnings, 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's accounts are organized into major, nonmajor, and proprietary funds 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 and includes transactions accounted for in the Deferred Maintenance Fund, Special Reserve Fund for Other Than Capital Outlay and the Retiree Benefits Fund.

The *Building Fund* is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

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

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the funding of general obligation bonds issued by the District.

Nonmajor Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains the following nonmajor special revenue funds:

- The *Child Development Fund* is used to account for resources restricted for child development programs maintained by the District

- The *Cafeteria Fund* is a special revenue fund used to account for revenues received and expenditures made to operate the District's food service programs.

Capital Projects Funds are used to account for resources restricted, committed or assigned for capital outlays. The District maintains the following nonmajor capital projects funds:

- The *County School Facilities Fund* is used primarily to account separately for State apportionments for the construction of school facilities (Education Code Sections 17010.10-17076.10).

- The *Special Reserve Fund for Capital Outlay Projects* exists primarily for the accumulation of General Fund monies for capital outlay purposes.

Proprietary Funds:

Proprietary Funds focus on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary Funds are classified as enterprise or internal service. The District has the following proprietary funds:

The *Children's Annex* enterprise fund accounts for revenue and expenses of the District's before and after school childcare and enrichment programs.

The *Fee Based Preschool Program* enterprise fund accounts for revenue and expenses of the District's fee based preschool programs.

The *Food Services Super Co-Op* enterprise fund accounts for revenue and expenses related to the District's role as the lead agency for the Super USDA Foods Cooperative.

The *Bayside Theatre* enterprise fund accounts for revenue and expenses related to the operation of the Bayside Theatre on the Bayside Academy campus.

Each of these funds were reported as a major funds.

F. <u>Budgets and Budgetary Accounting</u>

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.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Encumbrances

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

H. Benefit Plans

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 District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System plans (CalSTRS) 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. 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. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

The following summarizes the District's pension plan balances for the fiscal year:

	PERS	STRS	Total
Deferred outflows of resources	$ 7,607,594	$ 39,332,727	$ 46,940,320
Deferred inflows of resources	$ 13,643,763	$ 60,534,584	$ 74,178,347
Net pension liabilities	$ 32,975,332	$ 58,360,386	$ 91,335,718
Pension expense (credit)	$ 3,604,077	$ 11,840,370	$ 15,444,447

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total 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 Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB.

Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

I. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the 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 deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District's central warehouse inventory is valued at a moving average cost and consists of expendable supplies held for consumption. The District has the option of reporting expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

4. Capital Assets

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The District utilizes a capitalization threshold of $5,000 except for right of use leased assets which have a threshold of $25,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

The purpose of depreciation and amortization is to spread the cost of capital assets equitably among all users over the life of these assets. The useful life of right of use assets is typically determined by the associated lease term of those assets. The amount charged to depreciation and amortization expense each year represents that year's pro rata share of the cost of capital assets. The District depreciates using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated or amortized.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Improvement of sites	5-50
Buildings and improvements	20-50
Furniture and Equipment	2-15

5. Compensated Absences

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

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

6. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are expensed in the period incurred.

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

7. Fund Balance Classifications

The District maintains a minimum unassigned fund balance of not less than 5 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

In accordance with Government Accounting Standards Board 54*, Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Non-spendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District’s board of education.
- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent.
- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. As of June 30, 2022, capital assets net of accumulated depreciation totaling $385,823,399 was increased by unspent bond proceeds of $98,032,767 and reduced by related debt of $382,717,400 which excluded accreted interest of $61,341,922 and premiums attributed to cash reserves for debt service of $9,773,774. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Capital Projects restrictions will be used for the acquisition and construction of capital facilities.

Cafeteria Programs restrictions reflect the amounts to be expended for federal and state funded nutrition programs.

Educational Program restrictions reflect the amounts to be expended for federal and state funded educational programs.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Interfund Balances and Activity

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

Transfers between governmental and business-type activities on 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 on the financial statements.

10. 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 parent fees. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

11. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

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

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

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

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

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

12. Risk Management

The District’s risk management activities are recorded in the General Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools Insurance Group public entity risk pool (JPA). Refer to Note 10 for additional information regarding the JPA. Excess property and liability coverage is obtained through SELF.

Coverage provided by San Mateo-County Schools Insurance Group for property and liability workers' compensation is as follows:

Workers' compensation	State of California Statutory Limits
Property	$250,000 - $1,000,000,000 per occurrence
Liability	$250,000 - $25,000,000 per occurrence

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

13. Accounting Estimates

The presentation of 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 reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. Implemented Accounting Pronouncements

GASB issued Statement No. 87, *Leases*

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As of June 30, 2022, the District recognized one contract as a lessee and implemented the applicable accounting and reporting requirements under GASB 87. As a result, the District recorded a right of use asset and lease liability of $751,666.

K. Upcoming Accounting and Reporting Changes

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 91, *Conduit Debt Obligations*

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged.

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

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases.* GASB 96 is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB 96 – *Subscription-Based Information Technology Arrangements*.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

The following summarizes cash and investments as of June 30, 2022:

Description	Carrying Amount	Fair Value
Governmental Activities:		
Cash in county treasury investment pool	$ 276,576,442	$ 267,947,255
Cash in revolving fund	35,000	35,000
Cash on hand and in banks	2,232,935	2,232,935
Total Cash Deposits	278,844,377	270,215,190
Investments:		
California Local Agency Investment Fund	1,364	1,370
Total Governmental Cash and Investments	278,845,741	270,216,560
Business-Type Activities:		
Cash in county treasury investment pool	5,174,045	5,012,614
Cash in revolving fund	10,000	10,000
Cash on hand and in banks	356,825	356,825
Total Business-Type Cash and Investments	5,540,870	5,379,439
Total Government-Wide Cash and Investments	$ 284,386,611	$ 275,595,999

Cash in banks and revolving funds

Cash balances in banks and revolving funds are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). These accounts are held within various financial institutions. As of June 30, 2022, the bank balance of the District's accounts with banks was $1,614,179, which exceeded FDIC limits by $1,364,179.

Cash in County Treasury

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

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

Investments in the San Mateo County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

Policies and Practices

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

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District keeps cash in the San Mateo County Investment Pool which had a fair value of approximately $1.915 billion and an amortized book value of $1.976 billion.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment policy. The investment with the San Mateo County Investment Pool is rated at least AA by Moody's Investor Service.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2022:

	Governmental Activities					
Receivables	General Fund	Building Fund	Capital Facilities Fund	Bond Interest & Redemption Fund	Other Nonmajor Funds	Total
Federal Government	$ 3,819,727	$ -	$ -	$ -	$ 1,226,779	$ 5,046,506
State Government	1,134,345	-	-	-	1,675,864	2,810,209
Local Resources	2,488,950	338,891	45,076	91,297	50,690	3,014,904
Total Accounts Receivable	$ 7,443,022	$ 338,891	$ 45,076	$ 91,297	$ 2,953,333	$ 10,871,619

NOTE 4 - 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/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

As of June 30, 2022, the District interfund payables and receivables consisted of the following:

Fund	Due From	Due To
General Fund	$ 297,291	$ 135,564
Building Fund	191,446	-
Capital Facilites Fund	-	190,000
Fee Based Preschool Fund	492	50,646
Nonmajor Governmental Funds	177,285	290,304
Totals	$ 666,514	$ 666,514

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenues to funds through which the resources are to be expended. As of June 30, 2022, the District interfund transfers consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 35,172
Fee Based Preschool Fund	76,073	-
Nonmajor Governmental Funds	35,172	76,073
Totals	$ 111,245	$ 111,245

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

The following summarizes the changes in capital assets for the year ended June 30, 2022:

Capital Assets	Balance July 01, 2021	Additions	Adjustments/ Deletions	Balance June 30, 2022
Non-depreciable Capital Assets:				
Land - not depreciable	$ 10,269,460	$ -	$ 32,007,267	$ 42,276,727
Construction-in-progress	118,593,096	36,582,086	(111,927,576)	43,247,606
Total Non-depreciable Capital Assets	128,862,556	36,582,086	(79,920,309)	85,524,333
Depreciable Capital Assets:				
Site improvements	37,883,868	7,219,023	243,887,518	288,990,409
Buildings and improvements	305,189,667	1,404,429	(191,961,695)	114,632,401
Furniture and equipment	16,341,353	214,913	3,297,943	19,854,209
Total Depreciable Capital Assets	359,414,888	8,838,365	55,223,766	423,477,019
Right of Use Assets:				
Leased equipment	-	751,666	-	751,666
Less accumulated depreciation and amortization for:				
Site improvements	19,137,373	1,947,371	64,363,711	85,448,455
Buildings and improvements	115,686,313	4,145,229	(101,870,072)	17,961,470
Furniture and equipment	10,552,349	5,497,534	4,281,894	20,331,777
Right to use leased equipment	-	187,917	-	187,917
Total accumulated depreciation and amortization	145,376,035	11,778,051	(33,224,467)	123,929,619
Total capital assets - net	$ 342,901,409	$ 34,394,066	$ 8,527,924	$ 385,823,399

During the fiscal year ended June 30, 2022, the District performed a review and reconciliation of its capital assets as part of its corrective action plan for the audit finding from the past couple of years. This resulted in a net beginning balance decrease of $17,366,289. The prior financial statements noted a significant deficiency in internal control over financial reported related to the District's capital assets.

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 9,364,553
Home-to-school transportation	182,686
Food services	37,130
All other general administration	871,147
Plant services	1,322,535
Total depreciation expense	$ 11,778,051

NOTE 6 - SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2022:

Long-Term Liabilities	Balance July 01, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Bonds	$ 479,770,740	$ 7,114,418	$ 17,740,987	$ 469,144,171	$ 25,575,000
Right to use lease obligation	-	751,666	183,016	568,650	186,245
Net OPEB liability	63,170,039	37,246,071	27,330,452	73,085,658	-
Compensated absences	428,739	158,919	107,185	480,473	120,118
Net pension liabilities	161,304,853	69,812,067	139,781,202	91,335,718	-
Total Long-Term Liabilities	$ 704,674,371	$ 115,083,141	$ 185,142,842	$ 634,614,670	$ 25,881,363

Payments on bonds are made by the Bond Interest and Redemption Fund from local revenues. Leases are paid from the General Fund. The accrued vacation, pension liabilities, and other postemployment benefits will be paid by the fund for which the employee worked.

NOTE 7 - BONDS AND LEASES

General Obligation Bonds, Election 2008, Series A

In February 2010, the District issued $54,999,413 of general obligation bonds, Election of 2008, Series A. The bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. The Bonds are the first series of bonds to be issued under this authorization.

General Obligation Bonds, Election 2008, Series Q

In July 2010, the District issued $25,000,000 General Obligation Bonds, Election of 2008, Series Q, under the Federal Taxable Direct-Pay Qualified School Construction Bonds (QSCB) pursuant to a resolution adopted by the Board on June 17, 2011. The Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. This issue of the Bonds is the second series of bonds to be issued under this authorization. The issuance will save approximately $12.9 million to the District’s taxpayers in property tax levy.

General Obligation Bonds, Election 2008, Series C

In November 2012, the District issued $35,000,000 of general obligation bonds, Election of 2008, Series C. The Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. This issue of the Bonds is the third series of bonds to be issued under this authorization.

2014 General Obligation Refunding Bonds

In August 2014, the District issued $2,080,000 of general obligation refunding bonds for the purpose of partially refunding the Revenue Bonds, Series 2005.

2015 General Obligation Refunding Bonds

In May 2015, the District issued $27,875,000 of general obligation refunding bonds for the purpose of partially refunding the Revenue Bonds, Series 2005.

2020 General Obligation Refunding Bonds

In April 2020, the District issued $146,705,000 of general obligation refunding bonds for the purpose of refunding the Revenue Bonds, Election 2008, Series D and the Revenue Bonds, Election 2015, Series A.

2020 General Obligation Refunding Bonds, Series B and Series C

In October 2020, the District issues $19,120,000 in 2020, Series B and C general obligation refunding bonds. The bonds were issued at a premium of $379,042 and have coupon rates from 0.249% to 4.0% through 2030. The bonds were issued to refund a portion of the District's General Obligation Bonds, Election 2008, Series C.

General Obligation Bonds 2020, Series A and B

In March 2021, the District issued $145,000,000 of general obligation bonds, Election of 2020, Series A and B. The Series A Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the bonds.

The following schedule summarizes the District's outstanding Bonds as of June 30, 2022:

Description	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2021	Issued	Redeemed	Bonds Outstanding June 30, 2022
Principle Bonds:							
GO Bonds 2008, Series A	8/1/2042	2.95-6.625%	$ 54,999,413	$ 53,703,475	$ -	$ -	$ 53,703,475
GO Bonds 2008, Series Q	8/1/2026	6%	25,000,000	22,915,000	-	850,000	22,065,000
GO Bonds 2008, Series C	8/1/2039	2-5%	35,000,000	4,860,000	-	2,320,000	2,540,000
2014 GO Refunding Bonds	8/1/2026	5%	2,080,000	1,740,000	-	535,000	1,205,000
2015 GO Refunding Bonds	8/1/2023	3-5%	27,875,000	22,960,000	-	7,105,000	15,855,000
2020 GO Refunding Bonds	8/1/2045	2-5%	146,705,000	144,315,000	-	5,145,000	139,170,000
2020 GORB, Series B	8/1/2025	4%	2,870,000	2,870,000	-	300,000	2,570,000
2020 GORB, Series C	8/1/2039	.249-2.813	16,250,000	16,250,000	-	330,000	15,920,000
GO Bonds 2020, Series A	8/1/2051	2.5-4%	100,000,000	100,000,000	-	-	100,000,000
GO Bonds 2020, Series B	8/1/2044	2.375-4%	45,000,000	45,000,000	-	-	45,000,000
Subtotal General Obligation Bonds			550,454,413	414,613,475	-	16,585,000	398,028,475
Accreted Interest:							
GO Bonds 2008, Series A			-	54,227,504	7,114,418	-	61,341,922
Unamortized Bond Premium			19,142,805	10,929,761	-	1,155,987	9,773,774
Total Bond Related Debt			$ 569,597,218	$ 479,770,740	$ 7,114,418	$ 17,740,987	$ 469,144,171

The following is a summary of the District's annual debt service requirements as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 25,575,000	$ 10,426,477	$ 36,001,477
2024	24,825,000	9,988,476	34,813,476
2025	8,990,000	10,048,355	19,038,355
2026	9,660,000	9,979,320	19,639,320
2027	10,338,669	14,106,130	24,444,799
2028-2032	26,871,520	92,834,467	119,705,987
2033-2037	59,854,155	96,748,498	156,602,653
2038-2042	99,569,301	94,638,318	194,207,619
2043-2047	95,714,830	16,411,588	112,126,418
2048-2052	36,630,000	2,414,877	39,044,877
Total Debt Service	$ 398,028,475	$ 357,596,506	$ 755,624,981

Equipment Leases

The District has entered into various leases for copy machines with lease terms from August 20, 2021 through August 20, 2025. None of the agreements contain purchase options, and all of the agreements contain termination clauses providing for lease cancellation after written notice is provided to the lessors. However, it is unlikely that the District will cancel any of the agreements before the expiration date. It is expected that in the normal course of business most of these leases will be replaced by similar leases. Under GASB 87, the District records these leases as long-term liabilities and right of use assets in its Statement of Net Position at the net present value of the future lease payments, using an incremental borrowing rate of 1.75%.

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	$ 186,245	$ 8,462	$ 194,707
2024	189,531	5,177	194,708
2025	192,874	1,833	194,707
2026	-	-	-
2027	-	-	-
	$ 568,650	$ 15,472	$ 584,122

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS

A. California Public Employees Retirement System (CalPERS/PERS) Pension Plan

General Information about the PERS Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	CalPERS	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age: minimum	50	52
Monthly benefits as a % of eligible compensation	(1)	(1)
Required employee contribution rates	7%	7%
Required employer contribution rates	22.91%	22.91%

(1) Monthly benefit is a product of benefit factor, years of service, and final compensation

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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.

For the year ended June 30, 2022, the District's contributions were as follows:

	CalPERS
Contributions - employer	$ 5,524,787

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
CalPERS	$ 32,975,332

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the 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, 2021 and 2022 was as follows:

	CalPERS
Proportion - June 30, 2021	0.15934%
Proportion - June 30, 2022	0.16217%
Change - Increase/(Decrease)	0.00283%

For the year ended June 30, 2022, the District recognized pension expense of $3,604,077 for the Plan. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ -	$ -
Differences between Expected and Actual Experience	984,398	77,736
Differences between Projected and Actual Investment Earnings	-	12,654,951
Differences between Employer's Contributions and Proportionate Share of Contributions	-	764,999
Change in Employer's Proportion	1,098,408	146,077
Pension Contributions Made Subsequent to Measurement Date	5,524,787	-
Total	$ 7,607,593	$ 13,643,763

The District reported $5,524,787 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	**Deferred Outflows/ (Inflows) of Resources**
2023	$ (2,530,550)
2024	(2,646,910)
2025	(2,863,909)
2026	(3,519,588)
2027	-
Thereafter	-
Total	$ (11,560,957)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

(1) Varies by entry age and service
(2) Net of pension plan investment expenses, including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2019 based on June 30, 2018 Valuations,* that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long- term, the present value of benefits was calculated for the Plan.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.0% used for this period.
(c) An expected inflation of 2.92% used for this period.
(d) Figures are based on the previous ALM of 2017.

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 the Plan, calculated using the discount rate for the 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
1% Decrease	6.15%
Net Pension Liability	$ 55,601,039
Current	7.15%
Net Pension Liability	$ 32,975,332
1% Increase	8.15%
Net Pension Liability	$ 14,191,139

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

B. California State Teachers' Retirement System (STRS) Pension Plan

General Information about the STRS Pension Plan

Plan Description - 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, disability, 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 comprehensive annual financial report that includes financial statements and required supplementary information.

Benefits Provided - STRS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law.

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

	CalSTRS	
	Tier 1	Tier 2
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age:	60	62
Monthly benefits as a % of eligible compensation	2%	2%
Required employee contribution rates	10.250%	10.205%
Required employer contribution rates	16.920%	16.920%
Required State contribution rates	10.828%	10.828%

Contributions - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. 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 District's contributions were as follows:

	CalSTRS
Employer Contributions	$ 11,858,254
State Contributions	8,247,544
Total	$ 20,105,798

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
District	$ 58,360,386
State	29,364,612
Total	$ 87,724,998

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the 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 state contributed 10.46 percent of the members' creditable earnings from the fiscal year ending in the prior calendar. Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	CalSTRS
Proportion - June 30, 2021	0.11600%
Proportion - June 30, 2022	0.12824%
Change - Increase/(Decrease)	0.01224%

For the year ended June 30, 2022, the District recognized pension expense of $11,840,370, of which, a total of $8,247,544 came from state contributions.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalSTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 8,269,046	$ -
Differences between Expected and Actual Experience	146,196	6,210,762
Differences between Projected and Actual Investment Earnings	-	46,164,568
Differences between Employer's Contributions and Proportionate Share of Contributions	4,545	3,057,482
Change in Employer's Proportion	19,054,686	5,101,771
Pension Contributions Made Subsequent to Measurement Date	11,858,254	-
Total	$ 39,332,727	$ 60,534,583

The District reported $11,858,254 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2023	$ (7,230,078)
2024	(6,005,366)
2025	(9,577,211)
2026	(12,724,664)
2027	1,689,983
Thereafter	787,225
Total	$ (33,060,111)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.10%
Inflation	2.75%
Payroll Growth	3.50%
Projected Salary Increase	(1)
Investment Rate of Return	7.10% (2)
Mortality	(3)

(1) 2% simple for DB (annually), maintain 85% purchasing power level for DB. Not applicable for DBS/CBB
(2) Net of investment expense but gross of administrative expenses.
(3) Based on 110% of the MP-2019 Ultimate Projection

Discount Rate - The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the 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 table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return (a) (b)
Global Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitive	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigation Strategies	10.00%	1.75%
Liquidity	2.00%	-0.35%
Total	100.00%	

(a) Real return is net of assumed 2.75% inflation.
(b) 20-year geometric 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 the Plan, calculated using the discount rate for the 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:

	CalSTRS
1% Decrease	6.10%
Net Pension Liability	$ 118,802,140
Current	7.10%
Net Pension Liability	$ 58,360,386
1% Increase	8.10%
Net Pension Liability	$ 8,197,231

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

C. Postemployment Benefits Other Than Pension Benefits

Plan Description.

The District administers a single employer defined benefit healthcare plan. It provides lifetime postemployment health care benefits, in accordance with District's employment contracts, to most employees who retire from the District. Managers, who retire from the District, are eligible for full lifetime medical, vision, and dental premiums for the employee only. There is a cap on SMETA and CSEA payments up to the age of 65 and after the age of 65.

Benefits

Certificated employees who retire after age 50 with at least 5 years of service will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount, per month, at the time that the employee retires, remain unchanged for life. Before age 65, the PEMHCA minimum benefit is paid whether the retired employee is enrolled in a PERS medical plan or not. After age 65, the PEMHCA minimum benefit is only paid if the retired employee is enrolled in a PERS medical plan. Whether or not the retiree is enrolled under dental and/or vision benefits does not affect the amount that the District pays each month.

Classified employees who retire after age 50, with at least 5 years of service, will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount will increase each year in the future to align with the PEMHCA minimum benefit. The PEMHCA minimums are only paid if the retired employee is enrolled under a CalPERS or District medical plan. Whether or not the retiree is enrolled under dental and/or vision benefits does not affect the amount that the District pays each month.

Management and confidential employees who retire after age 50 with at least 5 years of service will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount will increase each year in the future. The PEMHCA minimums are only paid if the retiree is enrolled under a CalPERS medical plan.

Employees Covered by Benefit Terms

At June 30, 2020 (the valuation date), the benefit terms covered the following employees:

Active employees	1,134
Inactive employees	758
Total employees	1,892

Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions to the OPEB plan during the year were \$2,237,804. Total benefit payments included in the measurement period were \$2,100,466. The actuarially determined contribution for the measurement period was \$8,836,002. The District's contributions were 2.18% of payroll during the measurement period June 30, 2021. Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	2.18%
Inflation	2.75%
Payroll Increases	3.00%
Municipal Bond Rate	2.18%
Mortality	2017 CalPERS valuation 2020 Cal STRS valuation
Retirement	2017 CalPERS valuation 2020 Cal STRS valuation

Discount Rate

Since the benefits are not funded, the discount rate is equal to the Bond Buyer 20-Year Bond Index, which was 2.18%.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020 (measurement date) and was determined by an actuarial valuation as of June 30, 2021 (valuation date) for the fiscal year ended June 30, 2022 (reporting date).

Changes in the Total OPEB Liability

The following summarizes the changes in the total OPEB liability during the year ended June 30, 2022:

Fiscal Year Ended June 30, 2022	**Total OPEB Liability**	**Plan Fiduciary Net Position**	**Net OPEB Liability (Asset)**
Balance at June 30, 2021	$63,170,039	$ -	$63,170,039
Service cost	4,288,307	-	4,288,307
Interest in Total OPEB Liability	1,654,589	-	1,654,589
Changes in assumptions	5,907,624	-	5,907,624
Benefit payments	(1,934,901)	-	(1,934,901)
Net changes	9,915,619	-	9,915,619
Balance at June 30, 2022	$73,085,658	$ -	$73,085,658

Covered Employee Payroll	$88,922,598
Total OPEB Liability as a % of Covered Employee Payroll	82.19%
Service Cost as a % of Covered Employee Payroll	4.82%
Net OPEB Liability as a % of Covered Employee Payroll	82.19%

The District's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources

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**
Difference between actual and expected experience	$ -	$ 19,132,313
Change in assumptions	8,473,341	-
OPEB contribution subsequent to measurement date	2,044,838	-
Totals	$ 10,518,179	$ 19,132,313

Of the total amount reported as deferred outflows of resources related to OPEB, $2,044,838 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2023.

Other 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,		
2023	$	(1,771,925)
2024		(1,771,925)
2025		(1,771,925)
2026		(1,771,925)
2027		(1,771,923)
Thereafter		(1,799,349)
Total	$	(10,658,972)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2022 for the measurement date of June 30, 2021:

Service cost	$	4,288,307
Interest in TOL		1,654,589
Difference between actual and expected experience		(3,136,445)
Change in assumptions		1,364,520
OPEB Expense	**$**	**4,170,971**

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2022 for the measurement date of June 30, 2021:

Total OPEB liability ending	$	73,085,658
Total OPEB liability begining		(63,170,039)
Change in total OPEB liability		9,915,619
Changes in deferred outflows		(4,364,878)
Changes in deferred inflows		(3,136,444)
Employer contributions and implicit subsidy		1,756,674
OPEB Expense	**$**	**4,170,971**

Sensitivity to Changes in the Municipal Bond Rate

The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a municipal bond rate (used to determine the discount rate) that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	**2.18%**	**(1% Increase)**
Total OPEB Liability	$ 88,088,872	$ 73,085,658	$ 61,540,323

Sensitivity to Changes in the Healthcare Cost Trend Rates

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

	Trend Rate		
	(1% Decrease)	**Current**	**(1% Increase)**
Total OPEB Liability	$ 65,713,699	$ 73,085,658	$ 82,330,523

NOTE 9 - JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District is a member of the San Mateo County Schools' Insurance Group (SMCSIG), joint powers authority (JPA). The District pays an annual premium to the entity for its health, workers' compensation, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the entity and the District are included in these statements. Audited financial statements are available from the entity.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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, the District believes that any required reimbursements will not be material.

Litigation

The District may be exposed to various claims and litigation. Management believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual (GAAP Basis)	Positive - (Negative)
Revenues:				
LCFF sources	$ 129,153,575	$ 129,787,018	$ 129,793,538	$ 6,520
Federal revenues	3,954,197	6,706,507	6,538,006	(168,501)
Other state	15,917,424	21,772,723	20,590,347	(1,182,376)
Other local	16,447,745	20,193,060	17,972,697	(2,220,363)
Total revenues	165,472,941	178,459,308	174,894,588	(3,564,720)
Expenditures:				
Certificated salaries	73,221,068	72,307,598	72,304,697	2,901
Classified salaries	18,093,330	19,278,828	19,082,881	195,947
Employee benefits	41,116,583	39,523,555	39,010,538	513,017
Books and supplies	5,891,363	9,592,780	7,489,231	2,103,549
Services and other operating expenditures	28,865,947	33,237,070	31,358,406	1,878,664
Capital outlay	250,308	484,905	1,231,638	(746,733)
Other outgo	967,531	945,910	315,728	630,182
Total expenditures	168,406,130	175,370,646	170,793,119	4,577,527
Excess (deficiency) of revenues over (under) expenditures	(2,933,189)	3,088,662	4,101,469	1,012,807
Other financing sources (uses):				
Transfers in	645,951	187,042	-	(187,042)
Transfers out	(33,959)	(33,959)	(35,172)	(1,213)
Lease financing	-	-	751,666	751,666
Total other financing sources (uses)	611,992	153,083	716,494	563,411
Change in fund balance	$ (2,321,197)	$ 3,241,745	4,817,963	$ 1,576,218
Prior period adjustments GASB 84			-	
Fund balance beginning			92,647,545	
Fund balance ending			$ 97,465,508	

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

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALPERS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalPERS	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contributions	$ 2,120,002	$ 2,283,587	$ 2,738,437	$ 3,359,129	$ 3,901,937	$ 4,538,840	$ 4,813,938	$ 5,524,787
Contributions in Relation to Contractually Required Contributions	2,120,002	2,283,587	2,738,437	3,359,129	3,901,937	4,538,840	4,813,938	5,524,787
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 18,010,381**	**$ 19,275,656**	**$ 19,718,008**	**$ 21,628,543**	**$ 21,603,017**	**$ 23,015,263**	**$ 23,255,739**	**$ 24,115,177**
Contributions as a % of Covered Payroll	**11.77%**	**11.85%**	**13.89%**	**15.53%**	**18.06%**	**19.72%**	**20.70%**	**22.91%**

Notes to Schedule:

Valuation Date: June 30, 2020

Assumptions Used:
- Entry Age Method used for Actuarial Cost Method
- Level Percentage of Payroll and Direct Rate Smoothing
- 3.8 Years Remaining Amortization Period
- Inflation Assumed at 2.50%
- Investment Rate of Returns set at 7.00%
- CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALPERS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalPERS	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
District's Proportion of Net Pension Liability	0.15810%	0.15600%	0.15719%	0.15451%	0.15807%	0.15560%	0.15934%	0.16217%
Proportionate Share of Net Pension Liability	$ 17,948,200	$ 22,994,554	$ 31,045,565	$ 36,885,615	$ 42,146,438	$ 45,348,164	$ 48,890,413	$ 32,975,332
Covered Payroll	$ 16,593,087	$ 18,010,381	$ 19,275,656	$ 19,718,008	$ 21,628,543	$ 21,603,017	$ 23,015,263	$ 23,255,739
Proportionate Share of NPL as a % of Covered Payroll	**108.17%**	**127.67%**	**161.06%**	**187.07%**	**194.86%**	**209.92%**	**212.43%**	**141.79%**
Plan's Fiduciary Net Position as a % of the TPL	**83.38%**	**79.43%**	**73.90%**	**71.87%**	**70.85%**	**70.05%**	**70.00%**	**80.97%**

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.
In 2019, the amortization period for actuarial gains and losses was shortened from 30 years to 20 years.
This schedule presents information on the District’s portion of the net pension liability of CalPERS in compliance with GASB 68.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALSTRS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalSTRS	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contributions	$ 4,510,050	$ 5,718,444	$ 6,866,436	$ 8,612,908	$ 9,728,645	$ 10,782,934	$ 11,276,735	$ 11,858,254
Contributions in Relation to Contractually Required Contributions	4,510,050	5,718,444	6,866,436	8,612,908	9,728,645	10,782,934	11,276,735	11,858,254
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 50,788,851**	**$ 53,293,979**	**$ 54,582,162**	**$ 59,687,512**	**$ 59,758,262**	**$ 63,058,094**	**$ 69,824,985**	**$ 70,084,243**
Contributions as a % of Covered Payroll	**8.88%**	**10.73%**	**12.58%**	**14.43%**	**16.28%**	**17.10%**	**16.15%**	**16.92%**

Notes to Schedule:

Valuation Date: June 30, 2020

Assumptions Used:
- Entry Age Method used for Actuarial Cost Method
- Level Percentage of Payroll Basis
- 7 Years Remaining Amortization Period
- Inflation Assumed at 2.75%
- Investment Rate of Returns set at 7.10%
- Mortality tables are based on 110% of the MP-2019 Ultimate Projection Scale table issued by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.
This schedule provides information about the District’s required and actual contributions to CalSTRS during the year.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALSTRS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CalSTRS	2015	2016	2017	2018	2019	2020	2021	2022
District's Proportion of Net Pension Liability	0.10300%	0.10800%	0.10783%	0.10300%	0.11600%	0.10700%	0.11600%	0.12824%
District's Proportionate Share of Net Pension Liability	$ 60,190,110	$ 72,709,920	$ 87,215,910	$ 95,253,370	$ 106,612,120	$ 96,638,120	$ 112,414,440	$ 58,360,386
State's Proportionate Share of Net Pension Liability Associated with the District	36,345,196	38,455,550	49,650,273	56,350,941	61,040,769	52,722,859	57,949,644	29,364,612
	$ 96,535,306	$ 111,165,470	$ 136,866,183	$ 151,604,311	$ 167,652,889	$ 149,360,979	$ 170,364,084	$ 87,724,998
Covered Payroll	$ 45,986,752	$ 50,788,851	$ 53,293,979	$ 54,582,162	$ 59,687,512	$ 59,758,262	$ 63,058,094	$ 69,824,985
Proportionate Share of NPL as a % of Covered Payroll	**130.89%**	**143.16%**	**163.65%**	**174.51%**	**178.62%**	**161.72%**	**178.27%**	**83.58%**
Plan's Fiduciary Net Position as a % of the TPL	**76.52%**	**74.02%**	**70.04%**	**69.46%**	**70.99%**	**72.56%**	**71.82%**	**87.21%**

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule presents information on the District’s portion of the net pension liability of CalSTRS in compliance with GASB 68.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN
TOTAL OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	**2018**	**2019**	**2020**	**2021**	**2022**
Total OPEB liability					
Service cost	$ 4,484,420	$ 4,146,975	$ 4,437,778	$ 4,799,747	$ 4,288,307
Interest	1,857,366	2,128,176	2,211,170	2,270,498	1,654,589
Changes of benefit terms	-	-	-	(3,411,937)	-
Differences between expected and actual experience	-	-	-	(25,405,202)	-
Changes of assumptions	(4,980,087)	1,829,514	2,567,263	4,587,296	5,907,624
Benefit payments	(1,991,208)	(1,821,453)	(1,972,901)	(2,100,466)	(1,934,901)
Net change in Total OPEB Liability	(629,509)	6,283,212	7,243,310	(19,260,064)	9,915,619
Total OPEB Liability - beginning	69,533,090	68,903,581	75,186,793	82,430,103	63,170,039
Total OPEB Liability - ending	$ 68,903,581	$ 75,186,793	$ 82,430,103	$ 63,170,039	$ 73,085,658
Plan fiduciary net position					
Net change in plan fiduciary net position	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -
Net OPEB liability (asset)	$ 68,903,581	75,186,793	82,430,103	63,170,039	73,085,658
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$ 70,004,222	$ 74,600,585	$ 78,751,964	$ 81,114,523	$ 88,922,598
Net OPEB liability as a percentage of covered employee payroll	98.43%	100.79%	104.67%	77.88%	82.19%
Total OPEB liability as a percentage of covered employee payroll	98.43%	100.79%	104.67%	77.88%	82.19%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

For classified employees who retire with at least 10 years of service, and age plus service at least 65, the monthly benefit prior to age 65 has been increased from $750 to $850.

For classified employees who were hired after 2015, the monthly benefit before age 65 has been reduced from $320 to $250.

For retired management employees, the maximum amount of medical premiums reimbursed each month has now been capped at $1,000.

The discount decreased from 3.13% in 2020 to 2.66% in 2021, then to 2.18% in 2022.

The assumed probabilities of retirement, turnover and mortality have been changed from the 2014 CalPERS and 2016 STRS rates to the 2017 CalPERS and 2020 STRS rates.

Contributions were not based on a measure of pay.

NOTE 1 - BUDGETARY COMPARISON SCHEDULE

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

NOTE 2 - SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

These schedules present information on the District's portion of the Net Pension Liability of CalSTRS and the Net Pension Liability of CalPERS in compliance with GASB 68.

NOTE 3 - SCHEDULES OF THE DISTRICT'S CONTRIBUTIONS

These schedules provide information about the District's required and actual contributions to CalSTRS and CalPERS during the year.

NOTE 4 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

This schedule presents information on the District's changes in total OPEB liability in compliance with GASB 75.

SUPPLEMENTARY INFORMATION

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds		
	Child Development Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Assets					
Cash and investments	$ 521,974	$ 3,287,460	$ 25,007	$ 15,794,986	$ 19,629,427
Accounts receivable	1,746,028	1,163,255	70	43,980	2,953,333
Due from other funds	194	141,919	-	35,172	177,285
Other assets	-	196,708	-	-	196,708
Total Assets	$ 2,268,196	$ 4,789,342	$ 25,077	$ 15,874,138	$ 22,956,753
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 648,415	$ 41,845	$ -	$ 25,578	$ 715,838
Due to other funds	72,621	212,628	-	5,055	290,304
Unearned revenue	381,771	198,443	-	3,837	584,051
Total Liabilities	1,102,807	452,916	-	34,470	1,590,193
Fund balances:					
Nonspendable:					
Inventory	-	196,708	-	-	196,708
Restricted for:					
Cafeteria programs	-	3,281,536	-	-	3,281,536
Capital projects	-	-	-	15,492,786	15,492,786
Legally restricted balances	864,939	-	-	-	864,939
Assigned for:					
Capital projects	-	-	25,077	346,882	371,959
Cafeteria programs	-	858,182	-	-	858,182
Educational programs	300,450	-	-	-	300,450
Total Fund Balances	1,165,389	4,336,426	25,077	15,839,668	21,366,560
Total Liabilities and Fund Balances	$ 2,268,196	$ 4,789,342	$ 25,077	$ 15,874,138	$ 22,956,753

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds		
	Child Development Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Revenues:					
Federal revenue	$ 229,272	$ 5,723,753	$ -	$ -	$ 5,953,025
Other state	3,167,284	320,460	-	-	3,487,744
Other local	56,480	58,730	(560)	(312,043)	(197,393)
Total revenues	3,453,036	6,102,943	(560)	(312,043)	9,243,376
Expenditures:					
Current					
Instruction	2,048,001	-	-	-	2,048,001
Instruction-related services:					
School site administration	482,411	-	-	-	482,411
Pupil services:					
Food services	-	3,963,600	-	-	3,963,600
General administration:					
All other general administration	165,648	109,704	-	-	275,352
Plant services	185,467	6,814	-	46,347	238,628
Facilities acquisition & construction	503,505	-	-	87,505	591,010
Total expenditures	3,385,032	4,080,118	-	133,852	7,599,002
Excess (deficiency) of revenues over (under) expenditures	68,004	2,022,825	(560)	(445,895)	1,644,374
Other financing sources (uses):					
Transfers in	-	-	-	35,172	35,172
Transfers out	(76,073)	-	-	-	(76,073)
Total other financing sources (uses)	(76,073)	-	-	35,172	(40,901)
Change in fund balances	(8,069)	2,022,825	(560)	(410,723)	1,603,473
Fund balances beginning	1,173,458	2,313,601	25,637	16,250,391	19,763,087
Fund balances ending	$ 1,165,389	$ 4,336,426	$ 25,077	$ 15,839,668	$ 21,366,560

STATE AND FEDERAL AWARD COMPLIANCE SECTION

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
ORGANIZATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

The San Mateo-Foster City School District was established in 1948. The District operates under a locally elected five-member Board form of government and provides educational services to grades K to 8 as mandated by the State and/or Federal agencies. The District operates fifteen elementary schools, three middle schools, two K-8 school and one Before and After School Children Annex. There were no changes in the boundaries of the District during the current fiscal year.

The Board of Education and District Administrators for the fiscal year ended June 30, 2022, included the following members:

Governing Board

Name	Office	Term Expires
Kenneth Chin	President	November, 2022
Alison Proctor	Vice President	November, 2022
Shara Watkins	Clerk	November, 2024
Noella Corzo	Trustee	November, 2024
Lisa Warren	Trustee	November, 2024

Administration

Diego R. Ochoa.
Superintendent

David Chambliss
Assistant Superintendent for Educational Services

Sarah Drinkwater
Assistant Superintendent for Student Services

Sue Wieser
Assistant Superintendent for Human Resources

Patrick Gaffney
Chief Business Official

Blanca Cervantes-Madrigal
Director of Fiscal Services

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Total ADA		Classroom Based	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	4,329.52	4,326.22	4,319.85	4,317.61
Grades four through six	3,225.69	3,223.66	3,220.90	3,218.27
Grades seven and eight	2,044.45	2,043.15	2,044.45	2,043.03
Regular ADA Totals	9,599.66	9,593.03	9,585.20	9,578.91
Extended year Special education:				
Grades TK/K through three	3.37	3.37	3.37	3.37
Grades four through six	1.45	1.45	1.45	1.45
Grades seven and eight	2.39	2.39	2.39	2.39
Special education - nonpublic, nonsect schools:				
Grades TK/K through three	3.67	4.42	3.67	4.42
Grades four through six	11.11	11.79	11.11	11.79
Grades seven and eight	8.14	8.83	8.14	8.83
Extended year special education - nonpublic, nonsect schools:				
Grades TK/K through three	0.12	0.12	0.12	0.12
Grades four through six	1.09	1.09	1.09	1.09
Grades seven and eight	1.31	2.40	1.31	2.40
ADA Totals	9,632.31	9,628.89	9,617.85	9,614.77

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Grade Level	Minutes Requirements	2022 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	43,200	180	0	In compliance
Grade 1	50,400	50,460	180	0	In compliance
Grade 2	50,400	50,460	180	0	In compliance
Grade 3	50,400	50,460	180	0	In compliance
Grade 4	54,000	54,000	180	0	In compliance
Grade 5	54,000	54,000	180	0	In compliance
Grade 6	54,000	54,135	180	0	In compliance
Grade 7	54,000	54,135	180	0	In compliance
Grade 8	54,000	54,135	180	0	In compliance

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	(Budget [1]) 2023	2022	2021	2020
General Fund				
Revenues and other financial sources	$ 178,633,350	$ 175,646,254	$ 170,868,286	$ 156,621,442
Expenditures	186,622,165	170,793,119	160,464,790	146,731,098
Other uses and transfers (out)	33,959	35,172	35,357	33,937
Total outgo	186,656,124	170,828,291	160,500,147	146,765,035
Change in fund balance	(8,022,774)	4,817,963	10,368,139	9,856,407
Prior period adjustments - GASB 84	-	-	166,776	-
Ending fund balance	$ 89,442,734	$ 97,465,508	$ 92,647,545	$ 82,112,630
Available reserves [(2)]	$ 5,616,536	$ 5,124,849	$ 4,846,743	$ 8,895,110
Reserve for economic uncertainties	$ 5,616,536	$ 5,124,849	$ 4,846,743	$ 4,569,694
Unassigned fund balance	$ -	$ -	$ -	$ -
Available reserves as a percentage of total outgo	3.0%	3.0%	3.0%	6.1%
Total long-term liabilities	$ 600,010,318	$ 625,891,681	$ 691,801,527	$ 549,383,351
Average daily attendance at P-2	9,632	9,632	11,154	11,154

Average daily attendance has decreased by 1522 over the last three years.

The district has operated at a surplus the past three years. Total long-term liabilities have increased by $76,508,330 over the past three years.

The general fund's fund balance has increased by $15,352,878 in the last three years. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

[1] Budget numbers are based on the first adopted budget of the fiscal year 2022/23.

[2] Available reserves consist of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Program Name	Federal Catalog Number	Cluster Name	Pass Through Number	Major Program	Program Expenditures
U. S. DEPARTMENT OF EDUCATION:					
Passed through California Department of Education:					
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010		15438	Yes	$ 198,241
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010		14329	Yes	888,604
ESEA (ESSA) : Title III, English Learner Student Program	84.365		14346		528,597
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424		15396		46,415
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367		14341		110,722
Education Stabilization Fund (ESF)					
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D		15536	Yes	70
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D		15547	Yes	2,087,080
Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D		15618	Yes	181,748
Expanded Learning Opportunities (ELO) Grant: GEER II	84.425C		15619	Yes	94,802
Total Education Stabilization Fund (ESF) Subprograms					2,363,700
Passed through County SELPA:					
Special Education Cluster					
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	Spec Ed	13379	Yes	2,230,765
Special Ed: IDEA Preschool Grants, Part B, Sec 619	84.173	Spec Ed	13430	Yes	51,712
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	84.173	Spec Ed	13431	Yes	487
Special Ed: ARP IDEA Part B, Sec.611, Local Assistance Private School ISPs	84.027	Spec Ed	10169	Yes	3,400
Special Education: IDEA Local Assistance, Part B, Sec 611, Early Intervening Svs	84.027	Spec Ed	10119	Yes	273,433
Special Education: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	Spec Ed	10115	Yes	16,019
Special Education Cluster					2,575,816
TOTAL U. S. DEPARTMENT OF EDUCATION:					**6,712,095**
U. S. DEPARTMENT OF AGRICULTURE:					
Passed through California Department of Education:					
Child Nutrition Cluster					
Child Nutrition: School Programs (NSL Sec 11)	10.555	Child Nutr.	13396		2,201,279
School Lunch Commodities	10.555	Child Nutr.	N/A		471,265
School Breakfast Basic Program	10.553	Child Nutr.	13390		1,274,281
Child Nutrition: SNP COVID-19 Emergency Operational Costs Reimb.	10.555	Child Nutr.	15637		104,805
Child Nutrition: Supply Chain Assistance (SCA) Funds	10.555	Child Nutr.	15655		252,529
Child Nutrition Cluster					4,304,159
TOTAL U.S. DEPARTMENT OF AGRICULTURE					**4,304,159**
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Child Dev: Coronavirus Response and Relief Sup. App. (CRRSA) One-time Stipend	93.575		15555		76,073
Child Dev: ARP California State Preschool Program One-time Stipend	93.575		15640		75,600
Child Dev: Federal General (CCTR) and State Preschool (CSPP)	93.596	CCDF	13609		153,672
Passed through California Department of Health Services:					
MediCaid Cluster					
Medi-Cal Billing Option	93.778	Medicaid	10013		99,344
MediCaid Cluster					99,344
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					**404,689**
TOTAL EXPENDITURES					**$ 11,420,943**

Note: There were no pass throughs to subrecipients during the year.

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

There were no charter schools sponsored by the District as of June 30, 2022.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Retiree Benefit Fund	Foundation Private-purpose Trust Fund
June 30, 2022 Annual Financial and Budget Report Fund Balances.	$ 67,372,641	$ 101,665,745	$ 6,106,651	$ 37,463,713	$ 28,831,352	$ 26,118,906	$ 144,293
Adjustments to reconcile audited financials:							
GASB 54 fund consolidations	32,104,648	-	-	-	(6,658,666)	(25,306,188)	(139,794)
Fair value adjustments	(2,011,781)	(3,632,978)	(195,060)	(1,166,019)	(806,126)	(812,718)	(4,499)
June 30, 2022 Audited Financial Statements Fund Balances	$ 97,465,508	$ 98,032,767	$ 5,911,591	$ 36,297,694	$ 21,366,560	$ -	$ -

PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

The District has not received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and Longer Instructional Year. 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.

C. 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.

D. Schedule of Expenditures of Federal Awards

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance and state requirements. The District has not used the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance

E. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

F. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported in the annual financial and budget report to the audited financial statements.

RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEMS

There were no material unreconciled differences between the District's records and the schedule of federal grant activity as shown on the Schedule of Expenditures of Federal and State Awards.

BASIS OF PRESENTATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The following schedule provides a reconciliation between expenditures 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:

Description	Amount
Federal expenditures as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance:	$ 12,491,031
Sp. Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Svs Resource Code 3312, PCA 10119	273,433
Child Dev: CRRSA Act- One-time Stipend Resource Code 5058, PCA 15555	76,073
National School Lunch Program Resource Code 5310, PCA 13396	(1,419,594)
Total Expenditures Schedule of Expenditures of Federal Awards	$ 11,420,943

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

OTHER INDEPENDENT AUDITOR'S REPORTS

Chavan and Associates, llp
Certified Public Accountants

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

Board of Trustees
San Mateo-Foster City School District
Foster City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Mateo-Foster City School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise San Mateo-Foster City School District's basic financial statements, and have issued our report thereon dated December 15, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Mateo-Foster City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Mateo-Foster City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo-Foster City School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting 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 over financial reporting 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 San Mateo-Foster City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose 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.

C & A LLP

December 15, 2022
Morgan Hill, California

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Education
San Mateo-Foster City School District
Foster City, California

Report on Compliance for Each Major Federal Program

We have audited San Mateo-Foster City School District's (the District) compliance with the types of compliance requirements described in *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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major federal programs

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

Responsibilities of Management for Compliance

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

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

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

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 San Mateo-Foster City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of San Mateo-Foster City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of San Mateo-Foster City School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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.

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

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

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

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

C & A LLP

December 15, 2022
Morgan Hill, California

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS

Board of Education
San Mateo-Foster City School District
Foster City, California

Report of State Compliance

We have audited the San Mateo-Foster City School District (the District)'s compliance with the types of compliance requirements described in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2022.

In our opinion, San Mateo-Foster City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2022.

Basis for Opinion on State Compliance Requirements

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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (Audit Guide)*, published by the Education Audit Appeals Panel. 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 San Mateo-Foster City School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state programs identified in the *Audit Guide*. Our audit does not provide a legal determination of San Mateo-Foster City School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Auditor's Responsibilities for the Audit of State 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 San Mateo-Foster City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. 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 San Mateo-Foster City School District's compliance with the requirements of applicable state compliance requirements listed in the *Audit Guide*.

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

Description	Procedures Performed
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Job Acts	Yes
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	N/A
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	N/A
Immunization	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities	Yes
Career Technical Education Incentive Grant	N/A
In Person Instructional Grant	Yes
Charter Schools:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study for Districts	N/A
Determination of Funding for Nonclassroom - Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
District Facility Grant Program	N/A

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Audit Guide*, 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 San Mateo-Foster City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of San Mateo-Foster City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of San Mateo-Foster City School District's internal control over compliance. Accordingly, no such opinion is expressed.

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Chavan and Associates, llp
Certified Public Accountants

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.

C & A LLP

December 15, 2022
Morgan Hill, California

15105 Concord Circle, Ste. 130, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

FINDINGS AND RECOMMENDATIONS

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	**Unmodified**
Internal control over financial reporting:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Non-compliance material to financial statements noted?	____ Yes **x** No

Federal Awards

Internal control over major programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over major programs	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ Yes **x** No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
84.027 & 84.173	Special Education Cluster (IDEA)
84.425C/D	Education Stabilization Fund Subprograms
84.010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs

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

Internal control over state programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over state programs:	**Unmodified**

Section I – Financial Statement Findings

No findings noted.

Section II – Federal Award Findings and Questioned Costs

No findings noted.

Section III – State Award Findings and Questioned Costs

No findings noted.

Section I – Financial Statement Findings

Finding 2021-001; Capital Assets (30000 Internal Control)

Criteria: As required by Governmental Accounting Standards Board (GASB) Statement No. 34, the cost of capital assets should be depreciated over their estimated useful lives unless they are inexhaustible or work in process. Also, Education Code Section 35168 requires the District to maintain records that properly account for capital assets.

Condition: During the audit of the District's capital assets, we noted deficiencies in the District's process to maintaining the capital asset listing as it relates to additions and accumulated depreciation.

Effect: The District's capital asset balance may incorrectly include or exclude capital assets as well as incorrectly state the net book value.

Cause: In 2018-2019 there was a variance between the District's stated depreciation of capital assets and the audited depreciation values for these same assets. Due to personnel turnover and the impact of covid on district priorities, a reconciliation of the cause of the variance for 2018-2019 did not occur in 2019-2020. As such, the District hired a third-party asset management company and software to inventor and reconcile its capital assets. The assets were inventoried and the tracking software was implemented during the fiscal year ended 2021-2022. However, the reconciliation between the old asset system and the new one was in progress as of the date this report was issued.

Recommendation: We recommend the District verify the current listing of capital assets, as well as ensure that internal control procedures are followed throughout the year to adequately track additions, deletions, completion of projects, and accumulated depreciation in the District's capital asset program.

Corrective Action Plan: The District agrees with the auditor's recommendation and will implement policies and procedures during fiscal year 2020-21 to address the causes of the condition(s) noted. The District is working diligently to reconcile the discrepancies between the new and the old asset systems.

Status: Implemented.

Section II – Federal Award Findings and Questioned Costs

No findings noted.

Section III – State Award Findings and Questioned Costs

No findings noted.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Mateo-Foster City School District (the "District") in connection with the issuance of $150,000,000 of the District's Election of 2020 General Obligation Bonds, Series B (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Trustees of the District adopted on January 26, 2023 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) and Section 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated as of March 28, 2023 and relating to the Bonds.

"Participating Underwriters" shall mean Stifel, Nicolaus & Company, Incorporated and Piper Sandler & Co., as the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2022-23 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent, no later than the date required by subsection (a). The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) average daily attendance of the District for the last completed fiscal year;

(b) The District's approved annual budget for the then-current fiscal year;

(c) Assessed value of taxable property in the District as shown on the most recent equalized assessment role;

(d) If the San Mateo County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.

(e) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable assessed value, and their percentage of total secured assessed value, if material.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. <u>Reporting of Significant Events</u>.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed

jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the District, any of which affect bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: April 18, 2023

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By: ____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: SAN MATEO-FOSTER CITY SCHOOL DISTRICT

Name of Bond Issue: Election of 2020 General Obligation Bonds, Series B

Date of Issuance: April 18, 2023

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By ______[form only; no signature required]_________

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SAN MATEO COUNTY AND CITIES OF FOSTER CITY AND SAN MATEO

The following information regarding the Cities of San Mateo ("San Mateo") and Foster City ("Foster City," and together with San Mateo, the "Cities") and San Mateo County (the "County"), is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Cities or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, Bond Counsel, the Underwriters or the Municipal Advisor.

General

The City of San Mateo. Located 19 miles south of San Francisco and 30 miles north of San Jose, San Mateo is comprised of an area of 14.6 square miles. It is bordered by Burlingame to the north, Foster City to the east, the City of Belmont to the south, and the Town of Hillsborough to the west. Incorporated in 1894, it became a charter city in 1922. With a council-manager form of government, San Mateo's five City Council members are elected at large to four-year terms, with a Mayor selected from the members each year. As one of the major centers of economic activity in the County, San Mateo is home to over 10,000 businesses, with employment concentrated in professional and financial services, retail, and health, educational and recreational services.

The City of Foster City. Incorporated in 1971, Foster City is a general law city with a council-manager form of government. Five council members are elected to staggered four-year terms, with a two-term limit. Situated 10 miles south of the San Francisco International Airport, real estate values in the area are currently at historic highs.

San Mateo County. The County consists of 20 incorporated cities. It is the 14th most populous county in the State of California (the "State") and encompasses an area of 455 square miles of land and 292 square miles of water. It covers most of the San Francisco Peninsula, with the Santa Cruz Mountains running through its entire length. The County borders San Francisco County to the north and Silicon Valley and Santa Cruz County to the south. The Pacific Ocean lies to the west and the San Francisco Peninsula to the east. The County was formed in 1856 as one of the State's 18 original counties. The County is governed by a five-member Board of Supervisors elected by district to four-year staggered terms.

[REMAINDER OF PAGE LEFT BLANK]

Population

The following table summarizes population estimates of the Cities, the County and the State for the past 10 years of data that is currently available.

POPULATION ESTIMATES
2013 through 2022
Cities of San Mateo, Foster City, the County of San Mateo and State of California

Year	City of San Mateo	City of Foster City	San Mateo County	State of California
2013	100,044	31,429	747,550	38,269,864
2014	100,611	32,328	754,234	38,556,731
2015	101,830	32,518	761,748	38,865,532
2016	102,922	32,533	767,921	39,103,587
2017	103,139	32,671	770,785	39,352,398
2018	103,605	32,712	772,984	39,519,535
2019	103,569	33,211	774,231	39,605,361
2020	105,751	33,697	764,442	39,538,223
2021	104,719	33,325	751,596	39,303,157
2022	103,779	33,056	744,662	39,185,605

Source: 2013-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for May 2021. 2020-22 (2020 Demographic Research Unit Benchmark): California Department of Finance for January 1.

[REMAINDER OF PAGE LEFT BLANK]

Personal Income

The following table shows the per capita personal income for the County, the State and the United States for the past 10 years of data that is currently available.

PER CAPITA PERSONAL INCOME
2012 through 2021
San Mateo County, State of California, and United States

Year	San Mateo County	State of California	United States
2012	$87,142	$48,121	$44,548
2013	86,691	48,502	44,798
2014	92,352	51,266	46,887
2015	101,010	54,546	48,725
2016	105,796	56,560	49,613
2017	115,556	58,804	51,550
2018	124,705	61,508	53,786
2019	131,180	64,919	56,250
2020	142,264	70,647	59,765
2021	160,485	76,614	64,143

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

[REMAINDER OF PAGE LEFT BLANK]

Employment

The following table summarizes the labor force, employment and unemployment figures for the past five years of data currently available for the City, County and State.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
2017 through 2019
Cities of San Mateo and Foster City, San Mateo County and State of California

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate %
2017	City of San Mateo	63,100	61,400	1,700	2.6
	City of Foster City	19,700	19,100	500	2.7
	San Mateo County	444,900	432,700	12,200	2.7
	State of California	19,185,400	18,258,100	927,300	4.8
2018	City of San Mateo	64,000	62,600	1,400	2.1
	City of Foster City	19,700	19,300	400	2.1
	San Mateo County	448,900	438,800	10,200	2.3
	State of California	19,289,500	18,468,100	821,400	4.3
2019	City of San Mateo	65,000	63,700	1,300	2.0
	City of Foster City	20,000	19,600	400	2.0
	San Mateo County	457,100	447,600	9,600	2.1
	State of California	19,409,400	18,612,600	796,800	4.1
2020	City of San Mateo	61,300	57,500	3,900	6.3
	City of Foster City	18,500	17,500	1,000	5.3
	San Mateo County	437,800	407,200	30,600	7.0
	State of California	18,931,100	16,996,700	1,934,500	10.2
2021	City of San Mateo	60,600	58,100	2,500	4.1
	City of Foster City	18,300	17,700	700	3.6
	San Mateo County	431,200	411,500	19,700	4.6
	State of California	18,923,200	17,541,900	1,381,200	7.3

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2021 Benchmark

Industry

The Cities and County are located in the San Francisco-Redwood City-South San Francisco Metropolitan Division (the "MSA"). The distribution of employment in the MSA is presented in the following table for the past five calendar years for which data is available. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the Cities or the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
San Francisco-Redwood City-South San Francisco Metropolitan Division
2017-2021

	2017	2018	2019	2020	2021
Total Farm	1,700	1,400	1,400	1,400	1,500
Mining, Logging and Construction	18,900	19,300	20,400	19,600	19,300
Manufacturing	26,100	25,800	25,700	24,500	25,300
Wholesale Trade	12,000	11,900	11,500	10,600	10,800
Retail Trade	33,700	33,900	32,700	29,100	30,100
Transportation, Warehousing & Utilities	25,200	25,700	26,400	23,000	23,300
Information	34,800	39,400	45,400	50,700	55,200
Financial Activities	22,400	23,400	23,900	22,600	22,500
Professional and Business Services	81,200	82,500	85,400	82,000	85,300
Education and Health Services	47,000	48,500	52,000	50,500	52,200
Leisure and Hospitality	43,600	45,100	45,700	30,900	33,800
Other Services	13,600	13,700	13,500	10,700	11,100
Government	33,300	33,200	32,700	30,300	29,900
Total All Industries	393,500	403,800	416,600	386,000	400,200

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2021 Benchmark.

[REMAINDER OF PAGE LEFT BLANK]

Principal Employers

The following tables show the principal employers in the Cities and County by number of employees.

PRINCIPAL EMPLOYERS
As of June 30, 2022
City of San Mateo

Rank	Employer	Employees
1.	County of San Mateo Medical Center	1,317
2.	Sony Interactive Entertainment America, Playstation America	1,248
3.	San Mateo Union High School District[1]	1,003
4.	San Mateo-Foster City Unified School District[2]	999
5.	San Mateo Community College District	579
6	Franklin Templeton	541
7.	San Mateo County Behavioral Health	467
8.	City of San Mate	456
9	Rakuten	423
10.	Mills-Peninsula Health Center	351

(1) Includes Capuchino. Hills, Peninsula and Burlingame high schools which are not in the City of San Mateo.
(2) For updated District labor information, see "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – Labor Relations" in the front part of this Official Statement.
Source: City of San Mateo 'Annual Comprehensive Financial Report' Fiscal Year Ended June 30, 2022.

PRINCIPAL EMPLOYERS
As of June 30, 2022
City of Foster City

Rank	Employer	Employees
1.	Gilead Sciences, Inc.	5,747
2.	Visa U.S.A. Inc.	2,863
3.	Visa Technology & Operations LLC, FKA Inovant LLC	1,094
4.	Cybersource Corporation	427
5.	CSG Consultants, Inc.	329
6.	Sledgehammer Games, Inc.	304
7.	Costco Wholesale Corporation	276
8.	IBM Corporation	248
9.	Qualys Inc.	240
10.	Peninsula Jewish Community Center	231

Source: City of Foster City 'Annual Comprehensive Financial Report' Fiscal Year Ended June 30, 2022.

PRINCIPAL EMPLOYERS
As of June 30, 2022
San Mateo County

Rank	Employer	Employees
1.	Meta (Facebook Inc.)	15,407
2.	Genentech Inc.	12,000
3.	Oracle Corp.	9,149
4.	United Airlines	7,894
5.	County of San Mateo	5,705
6.	Gilead Sciences Inc.	4,190
7.	YouTube	2,384
8.	Sony Interactive Entertainment	1,855
9.	Alaska Airlines	1,591
10.	Electronic Arts Inc.	1,478

Source: County of San Mateo 'Annual Comprehensive Financial Report' Fiscal Year Ended June 30, 2022.

[REMAINDER OF PAGE LEFT BLANK]

Commercial Activity

Summaries of annual taxable sales data for the past five years of data currently available for the Cities and County are shown in the following tables.

ANNUAL TAXABLE SALES
2017 through 2021
City of San Mateo
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2017	2,442	$1,349,365	3,829	$1,652,321
2018	2,447	1,366,772	4,000	1,647,756
2019	2,423	1,380,448	4,012	1,635,576
2020	2,463	1,073,289	4,129	1,253,493
2021	2,158	1,376,547	3,671	1,570,462

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").*

ANNUAL TAXABLE SALES
2017 through 2021
City of Foster City
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2017	354	$244,870	579	$305,822
2018	351	247,266	626	309,911
2019	347	240,036	634	287,877
2020	357	188,671	658	222,208
2021	306	220,071	570	266,519

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").*

ANNUAL TAXABLE SALES
2017 through 2021
San Mateo County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2017	12,744	$11,132,628	21,534	$16,736,449
2018	12,802	11,674,214	22,554	17,547,097
2019	12,817	11,989,035	22,908	18,168,258
2020	13,350	10,659,164	23,985	15,940,068
2021	11,947	12,709,017	21,396	19,494,222

Source: *Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").*

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years of data currently available for the Cities and County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2017 through 2021
City of San Mateo
(Dollars in Thousands)

	2017	2018	2019	2020	2021
Valuation					
Residential	$138,035	$61,325	$147,834	$70,497	$106,616
Non-Residential	289,074	178,120	56,812	72,051	71,470
Total	$427,109	$239,445	$204,646	$142,548	$178,086
Units					
Single Family	72	8	15	52	58
Multiple Family	373	63	332	25	120
Total	445	71	347	77	178

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2017 through 2021
City of Foster City
(Dollars in Thousands)

	2017	2018	2019	2020	2021
Valuation					
Residential	$10,670	$12,004	$26,750	$13,225	$34,909
Non-Residential	185,388	192,713	27,749	13,649	135,095
Total	$196,058	$204,717	$54,499	$26,874	$170,004
Units					
Single Family	0	0	21	14	25
Multiple Family	0	0	0	0	4
Total	0	0	21	14	29

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2017 through 2021
San Mateo County
(Dollars in Thousands)

	2017	2018	2019	2020	2021
Valuation					
Residential	$1,052,535	$950,939	$1,174,939	$738,234	$878,104
Non-Residential	2,390,996	2,555,752	1,419,871	1,379,975	990,221
Total	$3,443,531	$3,506,691	$2,594,810	$2,118,209	$1,868,325
Units					
Single Family	411	443	497	548	657
Multiple Family	1,169	1,046	1,049	439	638
Total	1,580	1,489	1,546	987	1,295

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

APPENDIX E

SAN MATEO COUNTY TREASURY POOL

The following information concerning the San Mateo County (the "County") Treasury Pool (the "Treasury Pool") has been provided by the County Treasurer-Tax Collector (the "Treasurer"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriters. Neither the District, the Municipal Advisor nor the Underwriters have made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: https://treasurer.smcgov.org/. *However, the information presented on such website is not incorporated into this Official Statement by any reference.*

[THIS PAGE INTENTIONALLY LEFT BLANK]

Sandie Arnott
TREASURER-TAX COLLECTOR

SAN MATEO COUNTY INVESTMENT POOL FUND FEBRUARY 2023 MONTH END REPORT

TABLE OF CONTENTS

INTRODUCTION SUMMARY

Gross earnings for the month ending February 2023 were 2.414%. Current average maturity of the portfolio is 1.54 years with an average duration of 1.41 years. As of the end of the month, the pool is currently on pace to meet the target rate. The current Par Value of the pool is $7.299 Billion. The largest non-government aggregate position is currently Toronto Dominion Bank NY at 1.08%. The portfolio continues to hold no derivative products.

The estimated earnings for FY 2022-23 is 2.00%.

The San Mateo County Pool complies with Government Code Section 53646, which requires the ability to meet its expenditure requirements for the next six months.

I certify, and our compliance advisor, Silicon Valley Treasury Consulting Group, confirms these reports are in compliance with the Investment Policy dated Calendar Year 2023. Please visit our website if you wish to review Silicon Valley Treasury Consulting Group's monthly compliance report:
https://www.smcgov.org/treasurer/investment-information

If you have any questions regarding any of these reports, please call me at (650) 363-4470.

Best regards,

Sandie Arnott
Treasurer-Tax Collector

Sandie Arnott
Treasurer-Tax Collector

February 28, 2023

RE: SAN MATEO COUNTY INVESTMENT POOL, GASB FAIR MARKET VALUE FACTOR AS OF 2/28/23

As of February 28, 2023, the GASB fair market value factor for the San Mateo County Investment Pool is 0.96476

555 COUNTY CENTER, 1ST FLOOR, REDWOOD CITY, CA 94063

ESTIMATED SUMMARY OF POOL EARNINGS

FEBRUARY 2023

		Par Value		Gross Earnings
Fixed Income Securities Maturing > 1 year				
U S Treasury Notes	$	1,369,555,000.00	$	996,707.19
Corporate Notes		690,982,000.00		1,263,867.80
Floating Rate Securities		22,000,000.00		30,134.68
Federal Agencies		1,593,656,000.00		4,479,489.52
U.S, Instrumentalities		$139,040,000		78,581.67
Asset Backed Securities		$58,434,844.76		26,139.59
Certificate of Deposit		-		-
	$	**3,873,667,844.76**	**$**	**6,874,920.46**
Short Term Securities Maturing < 1 year				
U S Treasury Notes	$	663,400,000.00	$	567,071.55
Corporate Notes		143,865,000.00		116,471.45
Floating Rate Securities		-		-
Federal Agencies		1,942,214,000.00		4,151,766.44
U.S, Instrumentalities		126,356,000.00		219,687.57
U.S. Treasury Bills		-		-
Asset Backed Securities		-		-
Certificate of Deposit		294,000,000.00		593,300.82
Commercial Paper		105,000,000.00		313,483.33
Dreyfus		1,068,052.77		-
CAMP		$150,000,000		96,369.87
LAIF		-		-
	$	**3,425,903,052.77**	**$**	**6,058,151.05**
Total Accrued Interest	**$**	**7,299,570,897.53**	**$**	**12,933,071.51**
Total Dollar Earnings for February			**$**	**13,743,997.15**

Realized Gain/Loss & Interest Received		Period Earnings
U S Treasury Notes	$	522,851.18
Corporate Notes		93,620.82
Certificate of Deposit		12,266.41
U.S, Instrumentalities		125.00
Asset Backed Securities		21,144.76
Dreyfus		134,072.94
Union Bank Earnings Credit		26,844.53
Total Realized Income	**$**	**810,925.64**

AVERAGE BALANCE		**$**	**7,421,407,074.34**
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	**2.414%**		**13,743,997.15**
ADMINISTRATION FEES*			**(540,847.75)**
NET EARNINGS RATE / NET DOLLAR EARNINGS	**2.319%**	**$**	**13,203,149.40**

*Current admin fees rate is at 9.5bp

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

February 28, 2023

Summary Information

Totals	
Par Value	7,299,570,898
Market Value	7,093,228,089.03
Total Cost	7,307,962,040.74
Net Gain/Loss	-214,733,951.71
Annual Income	172,532,371.54
Accrued Interest	44,204,807.27
Number of Issues	349

Weighted Averages	
Average YTM	5.05
Average Maturity (yrs)	1.54
Average Coupon (%)	2.40
Average Duration	1.41
Average Moody Rating	Aa1/P-1
Average S&P Rating	AA/A-1

Distribution by Maturity

Maturity	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	141	3,412,149,237.58	48.1	5.1	2.242%	0.4
1 Yr - 3 Yrs	141	2,569,510,199.74	36.2	5.0	2.298%	1.8
3 Yrs - 5 Yrs	67	1,111,568,651.70	15.7	5.0	3.113%	3.6

Distribution by Coupon

Coupon %	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1%	96	1,846,400,438.55	26.0	4.6	0.350%	1.5
1% - 3%	142	3,006,439,260.22	42.4	4.5	2.031%	1.2
3% - 5%	74	1,319,960,165.62	18.6	6.4	4.181%	1.1
5% - 7%	37	920,428,224.63	13.0	5.8	5.201%	2.4

Distribution by Duration

Duration	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	145	3,488,322,651.66	49.2	5.1	2.279%	0.4
1 Yr - 3 Yrs	141	2,599,991,940.08	36.7	5.0	2.273%	1.9
3 Yrs - 5 Yrs	63	1,004,913,497.29	14.2	5.0	3.141%	3.7

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

February 28, 2023

Distribution by Moody Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Aaa	154	3,873,251,946.37	54.6	5.1	1.540%	1.2
Aa1	2	6,668,430.11	0.1	4.9	2.903%	1.8
Aa2	4	24,517,314.93	0.3	5.2	3.653%	1.8
Aa3	3	24,969,592.02	0.4	5.2	2.222%	1.2
A1	22	182,726,205.19	2.6	5.1	1.892%	1.8
A2	35	353,677,171.08	5.0	4.9	2.123%	1.8
A3	14	126,971,930.05	1.8	5.2	2.910%	2.0
P-1	10	324,092,076.94	4.6	2.5	1.818%	0.1
Not Rated	105	2,176,353,422.35	30.7	5.3	4.068%	1.8

Distribution by S&P Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
AAA	132	2,602,493,362.05	36.7	5.8	3.795%	1.7
AA+	125	3,429,572,561.77	48.3	4.7	1.421%	1.3
AA	5	46,986,053.38	0.7	5.0	2.824%	2.3
AA-	4	28,287,766.97	0.4	5.1	2.503%	1.2
A+	17	111,318,718.17	1.6	5.2	2.077%	1.4
A	24	238,959,695.27	3.4	5.1	1.950%	1.9
A-	22	201,410,767.34	2.8	4.7	2.324%	1.7
BBB+	8	91,696,081.65	1.3	5.1	2.734%	2.2
A-1+	4	151,449,888.61	2.1	2.4	1.875%	0.1
A-1	6	172,642,188.33	2.4	2.7	1.768%	0.1
Not Rated	2	18,411,005.48	0.3	4.8	4.131%	1.6

** MARKET VALUE ON THE FIXED INCOME DISTRIBUTION REPORT INCLUDES ANY ACCRUED INTEREST THAT A SECURITY HAS EARNED. TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MONTHLY TRANSACTION SUMMARY REPORT IS AVAILABLE UPON REQUEST.

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
CERTIFICATE OF DEPOSIT													
CREDIT SUISSE NEW YORK	0.59	03-17-23			35,000,000	100.00	35,000,000.00	100.00	35,000,000.00	402,675.00	35,402,675.00	A-1	0.50
TORONTO DOMINION BANK NY	2.24	04-03-23			24,000,000	100.00	24,000,000.00	100.00	24,000,000.00	488,320.00	24,488,320.00	A-1+	0.34
WESTPAC BANKING CORP NY	2.26	04-03-23			50,000,000	100.00	50,000,000.00	100.00	50,000,000.00	1,013,861.11	51,013,861.11	A-1+	0.71
COOPERATIVE RABOBANK UA	2.24	04-06-23			25,000,000	100.00	25,000,000.00	100.00	25,000,000.00	500,888.89	25,500,888.89	A-1	0.35
HSBC BANK USA NA	2.31	04-06-23			50,000,000	100.00	50,000,000.00	100.00	50,000,000.00	1,045,916.67	51,045,916.67	A-1	0.71
TORONTO DOMINION BANK NY	2.25	04-06-23			50,000,000	100.00	50,000,000.00	100.00	50,000,000.00	1,018,750.00	51,018,750.00	A-1+	0.71
SUMITOMO MITSUI BANK NY	2.70	04-26-23			10,000,000	100.01	10,000,750.00	100.00	10,000,000.00	230,250.00	10,230,250.00	A-1	0.14
CANADIAN IMP BK COMM NY	5.50	09-01-23			50,000,000	100.00	50,000,000.00	100.00	50,000,000.00	1,375,000.00	51,375,000.00	AAA	0.71
					294,000,000		294,000,750.00		294,000,000.00	6,075,661.67	300,075,661.67		4.17
COMMERCIAL PAPER													
NATIXIS NY BRANCH	3.25	03-02-23			25,000,000	97.83	24,458,333.33	99.98	24,995,485.00	537,152.78	25,532,637.78	A-1	0.35
CREDIT AGRICOLE CIB NY	0.00	03-31-23			25,000,000	97.57	24,393,277.78	99.72	24,929,820.00	0.00	24,929,820.00	A-1	0.35
ROYAL BANK OF CANADA NY	0.00	03-31-23			25,000,000	97.54	24,385,833.33	99.72	24,928,957.50	0.00	24,928,957.50	A-1+	0.35
MUFG BANK LTD/NY	5.26	06-28-23			30,000,000	96.95	29,083,883.33	98.25	29,474,001.00	1,073,916.67	30,547,917.67	AAA	0.42
					105,000,000		102,321,327.77		104,328,263.50	1,611,069.44	105,939,332.94		1.48
LOCAL AGENCY INVESTMENT FUND													
CA ASSET MGMT PROGRAM	4.74	03-01-23			150,000,000	100.00	150,000,000.00	100.00	150,000,000.00	533,250.00	150,533,250.00	AAA	2.13
UNITED STATES TREASURY-NOTES													
UNITED STATES TREAS NTS	2.50	03-31-23			25,100,000	103.48	25,972,617.19	99.82	25,054,870.20	263,201.39	25,318,071.59	AA+	0.36
UNITED STATES TREAS NTS	1.50	03-31-23			27,800,000	99.32	27,612,132.81	99.74	27,727,636.60	173,941.99	27,901,578.59	AA+	0.39
UNITED STATES TREAS NTS	2.75	04-30-23			11,900,000	103.93	12,367,632.81	99.66	11,859,278.20	108,480.66	11,967,758.86	AA+	0.17
UNITED STATES TREAS NTS	2.75	04-30-23			22,700,000	104.12	23,634,601.56	99.66	22,622,320.60	206,933.70	22,829,254.30	AA+	0.32
UNITED STATES TREAS NTS	2.75	05-31-23			50,000,000	104.48	52,242,187.50	99.45	49,727,050.00	341,850.83	50,068,900.83	AA+	0.71
UNITED STATES TREAS NTS	2.62	06-30-23			25,000,000	102.91	25,727,539.06	99.26	24,814,450.00	106,957.87	24,921,407.87	AA+	0.35
UNITED STATES TREAS NTS	0.12	06-30-23			25,000,000	97.68	24,419,921.88	98.40	24,600,575.00	5,093.23	24,605,668.23	AA+	0.35
UNITED STATES TREAS NTS	2.75	07-31-23			25,000,000	103.65	25,912,109.38	99.07	24,766,600.00	53,176.80	24,819,776.80	AA+	0.35
UNITED STATES TREAS NTS	2.75	07-31-23			35,000,000	104.89	36,713,085.94	99.07	34,673,240.00	74,447.51	34,747,687.51	AA+	0.49
UNITED STATES TREAS NTS	2.75	08-31-23			11,800,000	103.55	12,218,531.25	98.87	11,667,250.00	0.00	11,667,250.00	AA+	0.17
UNITED STATES TREAS NTS	2.75	08-31-23			24,500,000	104.76	25,665,664.06	98.87	24,224,375.00	0.00	24,224,375.00	AA+	0.34
UNITED STATES TREAS NTS	2.87	09-30-23			9,485,000	104.35	9,897,745.70	98.75	9,366,437.50	113,122.96	9,479,560.46	AA+	0.13
UNITED STATES TREAS NTS	2.87	09-30-23			22,425,000	105.45	23,646,987.30	98.75	22,144,687.50	267,452.01	22,412,139.51	AA+	0.31
UNITED STATES TREAS NTS	0.12	10-15-23			16,500,000	99.29	16,383,339.84	96.98	16,002,426.00	7,706.04	16,010,132.04	AA+	0.23
UNITED STATES TREAS NTS	1.62	10-31-23			50,000,000	100.16	50,078,125.00	97.73	48,867,200.00	270,089.29	49,137,289.29	AA+	0.69
UNITED STATES TREAS NTS	0.25	11-15-23			32,000,000	100.25	32,081,250.00	96.64	30,924,992.00	23,204.42	30,948,196.42	AA+	0.44
UNITED STATES TREAS NTS	2.87	11-30-23			26,000,000	104.20	27,092,812.50	98.36	25,573,444.00	184,821.43	25,758,265.43	AA+	0.36
UNITED STATES TREAS NTS	0.50	11-30-23			10,000,000	99.82	9,981,640.63	96.63	9,663,280.00	12,362.64	9,675,642.64	AA+	0.14
UNITED STATES TREAS NTS	2.62	12-31-23			25,000,000	103.46	25,864,257.81	97.97	24,493,175.00	436,900.68	24,930,075.68	AA+	0.35
UNITED STATES TREAS NTS	2.50	01-31-24			18,900,000	103.59	19,577,742.19	97.66	18,457,777.80	36,546.96	18,494,324.76	AA+	0.26
UNITED STATES TREAS NTS	2.50	01-31-24			43,000,000	104.37	44,879,570.31	97.66	41,993,886.00	83,149.17	42,077,035.17	AA+	0.60
UNITED STATES TREAS NTS	2.50	01-31-24			19,000,000	103.36	19,639,023.44	97.66	18,555,438.00	36,740.33	18,592,178.33	AA+	0.26
UNITED STATES TREAS NTS	0.12	02-15-24			20,000,000	99.41	19,882,812.50	95.33	19,065,620.00	897.79	19,066,517.79	AA+	0.27
UNITED STATES TREAS NTS	2.37	02-29-24			31,790,000	103.20	32,805,789.84	97.33	30,941,842.80	0.00	30,941,842.80	AA+	0.44
UNITED STATES TREAS NTS	2.12	02-29-24			15,500,000	102.43	15,876,601.56	97.09	15,048,919.00	0.00	15,048,919.00	AA+	0.21
UNITED STATES TREAS NTS	2.12	02-29-24			40,000,000	101.59	40,635,937.50	97.09	38,835,920.00	0.00	38,835,920.00	AA+	0.55
UNITED STATES TREAS NTS	2.12	03-31-24			29,300,000	102.23	29,953,527.34	96.82	28,367,205.20	259,713.74	28,626,918.94	AA+	0.40
UNITED STATES TREAS NTS	2.25	04-30-24			15,000,000	102.87	15,430,664.06	96.75	14,512,500.00	111,878.45	14,624,378.45	AA+	0.21
UNITED STATES TREAS NTS	2.25	04-30-24			25,000,000	102.44	25,610,351.56	96.75	24,187,500.00	186,464.09	24,373,964.09	AA+	0.34
UNITED STATES TREAS NTS	2.25	04-30-24			19,000,000	106.78	20,287,695.31	96.75	18,382,500.00	141,712.71	18,524,212.71	AA+	0.26
UNITED STATES TREAS NTS	2.00	04-30-24			15,000,000	102.04	15,305,859.38	96.46	14,469,135.00	99,447.51	14,568,582.51	AA+	0.21

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
UNITED STATES TREAS NTS	2.50	05-15-24			25,000,000	104.22	26,055,664.06	96.92	24,230,475.00	181,284.53	24,411,759.53	AA+	0.34
UNITED STATES TREAS NTS	2.00	05-31-24			15,125,000	102.00	15,427,500.00	96.23	14,554,273.25	75,207.18	14,629,480.43	AA+	0.21
UNITED STATES TREAS NTS	2.00	06-30-24			5,100,000	101.89	5,196,222.66	95.98	4,895,204.40	16,624.31	4,911,828.71	AA+	0.07
UNITED STATES TREAS NTS	2.00	06-30-24			10,000,000	101.85	10,185,156.25	95.98	9,598,440.00	32,596.69	9,631,036.69	AA+	0.14
UNITED STATES TREAS NTS	2.00	06-30-24			25,000,000	101.44	25,360,351.56	95.98	23,996,100.00	81,491.71	24,077,591.71	AA+	0.34
UNITED STATES TREAS NTS	2.00	06-30-24			25,000,000	105.14	26,285,156.25	95.98	23,996,100.00	81,491.71	24,077,591.71	AA+	0.34
UNITED STATES TREAS NTS	2.12	07-31-24			25,000,000	101.98	25,496,093.75	95.98	23,995,125.00	41,091.16	24,036,216.16	AA+	0.34
UNITED STATES TREAS NTS	1.87	08-31-24			25,000,000	100.86	25,213,867.19	95.41	23,852,550.00	0.00	23,852,550.00	AA+	0.34
UNITED STATES TREAS NTS	2.12	09-30-24			15,900,000	102.27	16,260,855.47	95.69	15,214,312.50	140,162.43	15,354,474.93	AA+	0.22
UNITED STATES TREAS NTS	1.50	09-30-24			9,000,000	100.80	9,072,070.31	94.72	8,524,692.00	56,002.75	8,580,694.75	AA+	0.12
UNITED STATES TREAS NTS	1.50	09-30-24			25,000,000	104.75	26,186,523.44	94.72	23,679,700.00	155,563.19	23,835,263.19	AA+	0.34
UNITED STATES TREAS NTS	1.50	10-31-24			33,895,000	99.94	33,875,139.65	94.51	32,034,740.72	169,009.41	32,203,750.12	AA+	0.45
UNITED STATES TREAS NTS	1.50	10-31-24			10,000,000	104.53	10,453,125.00	94.51	9,451,170.00	49,862.64	9,501,032.64	AA+	0.13
UNITED STATES TREAS NTS	1.50	10-31-24			34,500,000	103.57	35,730,410.16	94.51	32,606,536.50	172,026.10	32,778,562.60	AA+	0.46
UNITED STATES TREAS NTS	0.75	11-15-24			15,000,000	99.62	14,943,750.00	93.17	13,975,785.00	32,631.22	14,008,416.22	AA+	0.20
UNITED STATES TREAS NTS	1.00	12-15-24			35,000,000	100.04	35,013,671.88	93.34	32,667,565.00	72,115.38	32,739,680.38	AA+	0.46
UNITED STATES TREAS NTS	1.75	12-31-24			25,000,000	104.49	26,123,046.88	94.56	23,639,650.00	72,115.38	23,711,765.38	AA+	0.34
UNITED STATES TREAS NTS	1.37	01-31-25			25,000,000	103.08	25,770,507.81	93.73	23,432,625.00	26,588.40	23,459,213.40	AA+	0.33
UNITED STATES TREAS NTS	0.50	03-31-25			25,000,000	99.58	24,894,531.25	91.64	22,909,175.00	52,140.88	22,961,315.88	AA+	0.32
UNITED STATES TREAS NTS	0.25	05-31-25			10,125,000	98.45	9,967,587.89	90.57	9,170,242.87	6,293.16	9,176,536.04	AA+	0.13
UNITED STATES TREAS NTS	0.25	05-31-25			11,000,000	98.32	10,815,664.06	90.57	9,962,733.00	6,837.02	9,969,570.02	AA+	0.14
UNITED STATES TREAS NTS	2.75	06-30-25			25,000,000	108.70	27,174,804.69	95.78	23,944,325.00	112,051.10	24,056,376.10	AA+	0.34
UNITED STATES TREAS NTS	0.25	06-30-25			19,000,000	98.18	18,654,140.63	90.39	17,174,214.00	7,741.71	17,181,955.71	AA+	0.24
UNITED STATES TREAS NTS	0.25	06-30-25			10,000,000	98.17	9,817,187.50	90.39	9,039,060.00	4,074.59	9,043,134.59	AA+	0.13
UNITED STATES TREAS NTS	0.25	07-31-25			20,000,000	99.74	19,947,656.25	90.09	18,018,760.00	3,867.40	18,022,627.40	AA+	0.26
UNITED STATES TREAS NTS	0.25	07-31-25			10,175,000	98.21	9,992,962.89	90.09	9,167,044.15	1,967.54	9,169,011.69	AA+	0.13
UNITED STATES TREAS NTS	0.25	07-31-25			30,000,000	97.90	29,370,703.13	90.09	27,028,140.00	5,801.10	27,033,941.10	AA+	0.38
UNITED STATES TREAS NTS	0.25	08-31-25			25,000,000	98.82	24,706,054.69	89.81	22,452,150.00	0.00	22,452,150.00	AA+	0.32
UNITED STATES TREAS NTS	0.25	09-30-25			20,000,000	98.20	19,639,843.75	89.64	17,928,120.00	20,741.76	17,948,861.76	AA+	0.25
UNITED STATES TREAS NTS	0.25	10-31-25			11,000,000	99.04	10,893,867.19	89.30	9,823,517.00	9,141.48	9,832,658.48	AA+	0.14
UNITED STATES TREAS NTS	0.25	10-31-25			25,000,000	97.68	24,419,921.88	89.30	22,326,175.00	20,776.10	22,346,951.10	AA+	0.32
UNITED STATES TREAS NTS	0.25	10-31-25			25,000,000	97.84	24,460,937.50	89.30	22,326,175.00	20,776.10	22,346,951.10	AA+	0.32
UNITED STATES TREAS NTS	0.37	11-30-25			48,800,000	98.17	47,907,875.00	89.32	43,590,209.60	45,247.25	43,635,456.85	AA+	0.62
UNITED STATES TREAS NTS	0.37	12-31-25			14,000,000	99.92	13,988,515.63	89.21	12,489,526.00	8,653.85	12,498,179.85	AA+	0.18
UNITED STATES TREAS NTS	0.37	01-31-26			40,500,000	98.99	40,090,253.91	88.83	35,975,380.50	11,747.24	35,987,127.74	AA+	0.51
UNITED STATES TREAS NTS	0.37	01-31-26			20,000,000	98.05	19,610,937.50	88.83	17,765,620.00	5,801.10	17,771,421.10	AA+	0.25
UNITED STATES TREAS NTS	1.62	02-15-26			50,000,000	103.85	51,923,828.13	92.11	46,054,700.00	29,178.18	46,083,878.18	AA+	0.65
UNITED STATES TREAS NTS	2.50	02-28-26			46,100,000	108.14	49,854,628.91	94.51	43,568,095.80	0.00	43,568,095.80	AA+	0.62
UNITED STATES TREAS NTS	0.50	02-28-26			20,000,000	98.42	19,683,593.75	88.90	17,780,460.00	49,723.76	17,830,183.76	AA+	0.25
UNITED STATES TREAS NTS	0.75	03-31-26			10,200,000	97.21	9,915,515.63	89.47	9,126,215.40	31,910.22	9,158,125.62	AA+	0.13
UNITED STATES TREAS NTS	0.75	04-30-26			10,000,000	99.69	9,969,140.63	89.14	8,914,060.00	24,861.88	8,938,921.88	AA+	0.13
UNITED STATES TREAS NTS	0.75	04-30-26			18,000,000	98.03	17,645,625.00	89.14	16,045,308.00	44,751.38	16,090,059.38	AA+	0.23
UNITED STATES TREAS NTS	0.75	04-30-26			25,000,000	92.27	23,067,382.81	89.14	22,285,150.00	62,154.70	22,347,304.70	AA+	0.32
UNITED STATES TREAS NTS	0.75	05-31-26			14,250,000	99.84	14,227,177.73	88.90	12,668,577.75	26,571.13	12,695,148.88	AA+	0.18
UNITED STATES TREAS NTS	0.75	05-31-26			15,000,000	99.83	14,974,804.69	88.90	13,335,345.00	27,969.61	13,363,314.61	AA+	0.19
UNITED STATES TREAS NTS	0.75	05-31-26			20,500,000	100.11	20,522,421.88	88.90	18,224,971.50	38,225.14	18,263,196.64	AA+	0.26
UNITED STATES TREAS NTS	0.87	06-30-26			26,000,000	98.72	25,666,875.00	89.11	23,169,458.00	37,078.73	23,206,536.73	AA+	0.33
UNITED STATES TREAS NTS	0.62	07-31-26			10,000,000	95.80	9,580,078.13	88.09	8,808,980.00	4,834.25	8,813,814.25	AA+	0.12
UNITED STATES TREAS NTS	0.75	08-31-26			15,975,000	99.36	15,872,036.13	88.25	14,097,314.47	0.00	14,097,314.47	AA+	0.20
UNITED STATES TREAS NTS	0.75	08-31-26			17,000,000	97.83	16,630,781.25	88.25	15,001,837.00	0.00	15,001,837.00	AA+	0.21
UNITED STATES TREAS NTS	0.75	08-31-26			20,000,000	88.75	17,749,218.75	88.25	17,649,220.00	0.00	17,649,220.00	AA+	0.25
UNITED STATES TREAS NTS	1.62	09-30-26			25,000,000	101.72	25,430,664.06	90.98	22,745,125.00	168,526.79	22,913,651.79	AA+	0.32
UNITED STATES TREAS NTS	0.87	09-30-26			10,000,000	99.69	9,968,750.00	88.45	8,844,530.00	36,298.08	8,880,828.08	AA+	0.13

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
UNITED STATES TREAS NTS	0.87	09-30-26			13,000,000	99.05	12,876,601.56	88.45	11,497,889.00	47,187.50	11,545,076.50	AA+	0.16
UNITED STATES TREAS NTS	1.12	10-31-26			35,000,000	99.54	34,837,304.69	89.07	31,174,605.00	130,889.42	31,305,494.42	AA+	0.44
UNITED STATES TREAS NTS	1.62	11-30-26			15,000,000	101.82	15,272,460.94	90.72	13,607,820.00	60,267.86	13,668,087.86	AA+	0.19
UNITED STATES TREAS NTS	1.62	11-30-26			4,000,000	94.70	3,788,125.00	90.72	3,628,752.00	16,071.43	3,644,823.43	AA+	0.05
US TREASURY N/B	1.87	02-28-27			18,510,000	92.47	17,115,965.63	91.07	16,856,390.64	0.00	16,856,390.64	AAA	0.24
TNOTE	4.12	10-31-27			15,200,000	103.08	15,667,455.11	99.48	15,121,628.80	205,516.67	15,327,145.47	AAA	0.21
TNOTE	2.25	11-15-27			39,400,000	95.04	37,444,302.23	91.61	36,094,103.60	253,637.50	36,347,741.10	AAA	0.51
					2,032,955,000		2,056,085,052.51		1,913,327,679.85	6,701,472.01	1,920,029,151.87		27.14
FEDERAL AGENCY SECURITIES													
FEDERAL HOME LOAN BANK	2.00	03-09-23			25,000,000	100.00	25,000,000.00	99.94	24,984,144.75	109,722.22	25,093,866.97	AA+	0.35
FEDERAL HOME LOAN BANK	2.00	03-09-23			25,000,000	100.00	25,000,000.00	99.94	24,984,144.75	109,722.22	25,093,866.97	AA+	0.35
FEDERAL HOME LOAN BANK	2.00	03-09-23			25,000,000	100.00	25,000,000.00	99.94	24,984,144.75	109,722.22	25,093,866.97	AA+	0.35
FEDERAL HOME LOAN BANK	2.00	03-09-23			25,000,000	100.00	25,000,000.00	99.94	24,984,144.75	109,722.22	25,093,866.97	AA+	0.35
FEDERAL HOME LOAN BANK	2.12	03-10-23			10,000,000	101.01	10,100,900.00	99.94	9,993,723.90	99,166.67	10,092,890.57	AA+	0.14
FEDERAL HOME LOAN BANK	2.12	03-10-23			10,000,000	100.81	10,081,100.00	99.94	9,993,723.90	99,166.67	10,092,890.57	AA+	0.14
FEDERAL HOME LOAN BANK	2.12	03-10-23			7,440,000	100.81	7,500,368.16	99.94	7,435,330.58	73,780.00	7,509,110.58	AA+	0.11
FEDERAL HOME LOAN BANK	2.12	03-10-23			25,000,000	100.42	25,106,000.00	99.94	24,984,309.75	247,916.67	25,232,226.42	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.62	03-16-23			6,800,000	99.85	6,789,800.00	99.91	6,793,691.91	22,100.00	6,815,791.91	AA+	0.10
FEDERAL HOME LOAN BANK	1.25	03-21-23			25,000,000	100.00	25,000,000.00	99.80	24,949,489.50	136,284.72	25,085,774.22	AA+	0.35
FEDERAL HOME LOAN BANK	1.25	03-21-23			25,000,000	100.00	25,000,000.00	99.80	24,949,489.50	136,284.72	25,085,774.22	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.12	03-30-23			20,000,000	100.00	20,000,000.00	99.78	19,955,555.20	92,500.00	20,048,055.20	AA+	0.28
FEDERAL HOME LOAN BANK-STEP UP	1.25	04-05-23			25,000,000	100.00	25,000,000.00	99.75	24,936,594.50	124,131.94	25,060,726.44	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.28	04-12-23			10,000,000	100.00	10,000,000.00	99.70	9,969,621.10	48,355.56	10,017,976.66	AA+	0.14
FEDERAL HOME LOAN MORTGAGE CORP-STEP-UP	1.30	04-12-23			10,000,000	100.00	10,000,000.00	99.70	9,970,197.50	49,111.11	10,019,308.61	AA+	0.14
FEDERAL HOME LOAN BANK-STEP-UP	1.85	04-14-23			25,000,000	100.00	25,000,000.00	99.73	24,933,122.75	56,527.78	24,989,650.53	AA+	0.35
FEDERAL HOME LOAN MORTGAGE CORP	0.37	04-20-23			7,820,000	98.61	7,711,536.60	99.40	7,772,864.40	10,426.67	7,783,291.07	AA+	0.11
FEDERAL HOME LOAN BANK-STEP-UP	2.00	04-28-23			25,000,000	100.00	25,000,000.00	99.69	24,921,704.75	41,666.67	24,963,371.42	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	2.00	04-28-23			25,000,000	100.00	25,000,000.00	99.69	24,921,704.75	41,666.67	24,963,371.42	AA+	0.35
FEDERAL HOME LOAN BANK	2.00	05-02-23	03-02-23	100	10,250,000	100.00	10,250,000.00	99.50	10,198,513.12	66,055.56	10,264,568.68	AA+	0.14
FEDERAL HOME LOAN BANK	2.00	05-02-23	03-02-23	100	20,000,000	100.00	20,000,000.00	99.50	19,899,537.80	128,888.89	20,028,426.69	AA+	0.28
FEDERAL HOME LOAN BANK-STEP-UP	1.12	05-03-23			25,000,000	100.00	25,000,000.00	99.66	24,914,960.75	19,531.25	24,934,492.00	AA+	0.35
FREDDIE MAC	0.37	05-05-23			18,910,000	99.96	18,902,057.80	99.20	18,757,804.00	22,258.65	18,780,062.65	AA+	0.27
FEDERAL HOME LOAN BANK	3.00	05-08-23			9,425,000	100.00	9,425,000.00	99.63	9,390,373.40	15,708.33	9,406,081.73	AAA	0.13
FANNIE MAE	0.25	05-22-23			25,000,000	99.70	24,924,750.00	98.95	24,737,558.75	16,666.67	24,754,225.42	AA+	0.35
FANNIE MAE	0.25	05-22-23			5,605,000	98.03	5,494,783.28	98.95	5,546,160.67	3,736.67	5,549,897.34	AA+	0.08
FEDERAL HOME LOAN BANK	3.25	05-25-23			5,000,000	100.00	5,000,000.00	99.60	4,979,969.15	41,979.17	5,021,948.32	AAA	0.07
FEDERAL HOME LOAN BANK	3.25	05-25-23			5,000,000	100.00	5,000,000.00	99.60	4,979,969.15	41,979.17	5,021,948.32	AAA	0.07
FEDERAL HOME LOAN BANK	3.25	05-25-23			4,200,000	100.00	4,200,000.00	99.60	4,183,174.09	35,262.50	4,218,436.59	AAA	0.06
FEDERAL HOME LOAN BANK-STEP-UP	2.00	05-25-23			25,000,000	100.00	25,000,000.00	99.55	24,886,370.50	129,166.67	25,015,537.17	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.25	05-25-23			50,000,000	100.00	50,000,000.00	99.66	49,828,109.00	5,208.33	49,833,317.33	AA+	0.71
FEDERAL HOME LOAN MORTGAGE CORP	2.28	05-26-23			25,000,000	100.00	25,000,000.00	99.36	24,840,404.00	145,666.67	24,986,070.67	AA+	0.35
FEDERAL HOME LOAN BANK DISCOUNT	0.00	06-02-23			20,000,000	97.28	19,455,480.60	98.76	19,752,756.40	0.00	19,752,756.40	AAA	0.28
FEDERAL HOME LOAN BANK	3.30	06-09-23	03-09-23	100	25,000,000	100.00	25,000,000.00	99.52	24,881,090.25	181,041.67	25,062,131.92	AAA	0.35
FEDERAL HOME LOAN BANK	2.12	06-09-23			20,000,000	100.67	20,133,600.00	99.22	19,844,266.00	93,263.89	19,937,529.89	AA+	0.28
FEDERAL HOME LOAN BANK	2.12	06-09-23			10,000,000	100.82	10,081,800.00	99.22	9,922,133.00	46,631.94	9,968,764.94	AA+	0.14
FEDERAL HOME LOAN DISCOUNT NOTE	0.00	06-09-23			25,000,000	97.28	24,320,139.00	98.67	24,667,838.50	0.00	24,667,838.50	AAA	0.35
FEDERAL HOME LOAN BANK	3.33	06-15-23			25,000,000	100.00	25,000,000.00	99.51	24,877,844.50	168,812.50	25,046,657.00	AAA	0.35
FEDERAL HOME LOAN BANK-STEP-UP	2.00	06-23-23			10,300,000	99.77	10,276,825.00	99.37	10,234,914.92	37,194.44	10,272,109.36	AA+	0.15
FREDDIE MAC	0.25	06-26-23			15,000,000	97.43	14,614,200.00	98.44	14,766,349.95	6,458.33	14,772,808.28	AA+	0.21
FEDERAL HOME LOAN BANK	2.70	06-27-23			10,000,000	100.00	10,000,000.00	99.23	9,922,752.50	45,750.00	9,968,502.50	AA+	0.14
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	06-28-23			25,000,000	97.34	24,334,319.44	98.42	24,605,228.50	0.00	24,605,228.50	AA+	0.35
FEDERAL HOME LOAN BANK	4.55	06-30-23			25,000,000	100.00	25,000,000.00	99.82	24,955,719.50	183,263.89	25,138,983.39	AAA	0.35

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
FANNIE MAE	0.25	07-10-23			23,600,000	99.78	23,549,260.00	98.32	23,202,431.33	7,866.67	23,210,298.00	AA+	0.33
FEDERAL HOME LOAN BANK DISC NOTE	0.00	07-13-23			25,000,000	96.84	24,210,979.25	98.18	24,546,250.00	0.00	24,546,250.00	AA+	0.35
FEDERAL HOME LOAN BANK DISC NOTE	0.00	07-13-23			25,000,000	96.85	24,212,944.50	98.18	24,546,250.00	0.00	24,546,250.00	AA+	0.35
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	07-21-23			10,000,000	96.95	9,695,000.00	98.08	9,807,769.00	0.00	9,807,769.00	AA+	0.14
FEDERAL HOME LOAN BANK	4.25	07-24-23			25,000,000	100.00	25,000,000.00	99.66	24,915,478.25	100,347.22	25,015,825.47	AAA	0.35
FEDERAL FARM CREDIT BANK	4.67	07-26-23			25,000,000	100.00	25,000,000.00	99.77	24,941,766.00	103,777.78	25,045,543.78	AAA	0.35
FEDERAL HOME LOAN BANK	3.25	07-28-23			10,000,000	100.00	10,000,000.00	99.19	9,919,212.70	27,083.33	9,946,296.03	AA+	0.14
FEDERAL HOME LOAN BANK	3.55	07-28-23	03-28-23	100	25,000,000	100.00	25,000,000.00	99.32	24,829,972.00	369,791.67	25,199,763.67	AAA	0.35
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	07-28-23			15,000,000	97.00	14,549,333.33	97.98	14,697,583.50	0.00	14,697,583.50	AAA	0.21
FEDERAL HOME LOAN BANK-STEP-UP	2.50	07-28-23	04-28-23	100	10,000,000	100.00	10,000,000.00	99.47	9,946,869.90	83,333.33	10,030,203.23	AA+	0.14
FEDERAL HOME LOAN BANK	3.12	08-01-23			15,000,000	100.00	15,000,000.00	99.17	14,875,497.30	35,156.25	14,910,653.55	AA+	0.21
FEDERAL HOME LOAN DISCOUNT NOTE	0.00	08-01-23			25,000,000	96.90	24,225,750.00	97.89	24,472,064.25	0.00	24,472,064.25	AAA	0.35
FANNIE MAE	0.30	08-10-23	05-10-23	100	25,000,000	99.83	24,957,250.00	97.81	24,451,544.25	3,750.00	24,455,294.25	AA+	0.35
FEDERAL FARM CREDIT	0.15	08-10-23			12,000,000	96.88	11,625,912.00	97.74	11,728,850.52	900.00	11,729,750.52	AAA	0.17
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	08-11-23			15,000,000	96.84	14,526,000.00	97.78	14,667,460.80	0.00	14,667,460.80	AAA	0.21
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	08-11-23			20,000,000	96.47	19,293,655.60	97.78	19,556,614.40	0.00	19,556,614.40	AAA	0.28
FEDERAL HOME LOAN MORTGAGE CORP	0.25	08-24-23			15,000,000	96.91	14,536,500.00	97.66	14,649,186.30	416.67	14,649,602.97	AAA	0.21
FEDERAL HOME LOAN BANK	3.50	08-28-23	05-28-23	100	15,000,000	100.00	15,000,000.00	99.12	14,867,829.45	0.00	14,867,829.45	AAA	0.21
FEDERAL HOME LOAN BANK	3.51	08-28-23	05-28-23	100	10,000,000	99.22	9,921,520.00	99.12	9,912,373.40	0.00	9,912,373.40	AAA	0.14
FEDERAL HOME LOAN BANK DISCOUNT NOTE	0.00	09-01-23			20,000,000	99.80	19,960,600.00	99.04	19,808,271.60	0.00	19,808,271.60	AAA	0.28
FEDERAL HOME LOAN BANK	3.62	09-06-23			10,810,000	100.01	10,811,088.51	99.06	10,708,678.73	187,223.19	10,895,901.93	AAA	0.15
FEDERAL HOME LOAN DISCOUNT NOTE	0.00	09-08-23			25,000,000	96.52	24,128,864.50	97.45	24,361,493.25	0.00	24,361,493.25	AAA	0.35
FREDDIE MAC	0.25	09-08-23			25,780,000	99.97	25,771,492.60	97.44	25,120,118.11	30,434.72	25,150,552.83	AA+	0.36
FEDERAL HOME LOAN BANK	3.55	09-15-23			10,000,000	100.00	10,000,000.00	99.05	9,904,524.40	160,736.11	10,065,260.51	AAA	0.14
FEDERAL HOME DISCOUNT NOTE	0.00	09-27-23			25,000,000	96.24	24,059,111.00	97.19	24,298,213.75	0.00	24,298,213.75	AA+	0.34
FEDERAL HOME LOAN BANK	3.80	09-27-23	03-27-23	100	25,000,000	100.00	25,000,000.00	99.13	24,782,893.50	398,472.22	25,181,365.72	AAA	0.35
FEDERAL HOME LOAN BANK	3.80	09-27-23	03-27-23	100	25,000,000	100.00	25,000,000.00	99.13	24,782,893.50	398,472.22	25,181,365.72	AAA	0.35
FEDERAL HOME LOAN BANK	4.40	09-27-23			25,000,000	100.00	25,000,000.00	99.55	24,887,603.75	369,722.22	25,257,325.97	AAA	0.35
FEDERAL HOME LOAN BANK	4.60	09-28-23			20,000,000	99.96	19,991,200.00	99.66	19,931,950.20	383,333.33	20,315,283.53	AAA	0.28
FEDERAL HOME LOAN DISCOUNT NOTE	0.00	09-28-23			8,269,000	95.85	7,926,204.01	97.18	8,035,777.07	0.00	8,035,777.07	AAA	0.11
FEDERAL HOME LOAN BANK	4.02	09-29-23	03-29-23	100	25,000,000	100.00	25,000,000.00	99.25	24,812,324.25	415,958.33	25,228,282.58	AAA	0.35
FEDERAL HOME LOAN BANK	4.25	09-29-23			15,000,000	100.00	15,000,000.00	99.37	14,905,578.90	263,854.17	15,169,433.07	AAA	0.21
FREDDIE MAC	0.12	10-16-23			19,580,000	99.63	19,506,966.60	96.94	18,979,902.76	8,974.17	18,988,876.93	AA+	0.27
FREDDIE MAC	0.12	10-16-23			25,000,000	95.73	23,931,902.08	96.94	24,233,788.00	11,458.33	24,245,246.33	AA+	0.34
FEDERAL HOME LOAN BANK-STEP UP	2.00	10-20-23	04-20-23	100	4,750,000	100.00	4,750,000.00	98.99	4,701,926.39	10,027.78	4,711,954.17	AA+	0.07
FEDERAL HOME LOAN BANK	4.50	10-26-23			25,000,000	100.00	25,000,000.00	99.55	24,886,453.75	381,250.00	25,267,703.75	AAA	0.35
FEDERAL HOME LOAN BANK-STEP UP	1.50	10-27-23			25,000,000	100.00	25,000,000.00	98.59	24,647,836.75	126,041.67	24,773,878.42	AA+	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.62	10-27-23	04-27-23	100	25,000,000	100.00	25,000,000.00	98.75	24,686,567.25	134,288.19	24,820,855.44	AA+	0.35
FEDERAL HOME LOAN BANK	4.62	11-01-23			25,000,000	99.93	24,981,750.00	99.53	24,883,343.00	375,781.25	25,259,124.25	AAA	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.30	11-03-23	05-03-23	100	25,000,000	100.00	25,000,000.00	99.12	24,780,157.00	22,569.44	24,802,726.44	AA+	0.35
FREDDIE MAC	0.25	11-06-23			15,000,000	99.91	14,986,500.00	96.63	14,493,931.65	11,666.67	14,505,598.32	AA+	0.21
FEDERAL FARM CREDIT BANK	5.05	11-09-23	05-09-23	100	9,796,000	100.00	9,796,000.00	99.72	9,768,475.20	149,783.56	9,918,258.76	AAA	0.14
FEDERAL HOME LOAN BANK-STEP-UP	1.75	11-09-23			25,000,000	100.00	25,000,000.00	98.34	24,585,476.50	132,465.28	24,717,941.78	AA+	0.35
FEDERAL HOME LOAN BANK	4.75	11-21-23			25,000,000	99.88	24,970,750.00	99.68	24,920,498.25	319,965.28	25,240,463.53	AAA	0.35
FEDERAL HOME LOAN BANK	4.75	11-21-23			25,000,000	99.90	24,975,875.00	99.68	24,920,498.25	319,965.28	25,240,463.53	AAA	0.35
FANNIE MAE	0.25	11-27-23			17,000,000	99.89	16,980,620.00	96.56	16,414,823.96	10,743.06	16,425,567.02	AA+	0.23
FANNIE MAE	0.25	11-27-23			25,000,000	95.11	23,778,325.00	96.56	24,139,447.00	15,798.61	24,155,245.61	AA+	0.34
FEDERAL HOME LOAN BANK	5.05	11-28-23	05-28-23	100	25,000,000	100.00	25,000,000.00	99.69	24,921,671.50	315,625.00	25,237,296.50	AAA	0.35
FEDERAL HOME LOAN BANK	4.87	12-07-23			22,795,000	100.09	22,814,499.22	99.78	22,744,233.48	250,032.66	22,994,266.14	AAA	0.32
FEDERAL HOME LOAN BANK	5.00	12-15-23	06-15-23	100	25,000,000	100.00	25,000,000.00	99.68	24,918,952.25	253,472.22	25,172,424.47	AAA	0.35
FANNIE MAE	5.00	12-20-23	06-20-23	100	25,000,000	100.00	25,000,000.00	99.70	24,923,911.25	236,111.11	25,160,022.36	AAA	0.35
FEDERAL HOME LOAN BANK	0.25	12-28-23	03-28-23	100	7,450,000	96.49	7,188,207.00	95.91	7,144,960.79	3,104.17	7,148,064.96	AA+	0.10
FEDERAL HOME LOAN BANK	3.00	12-29-23	03-29-23	100	5,355,000	99.70	5,338,935.00	98.18	5,257,770.71	26,328.75	5,284,099.46	AA+	0.07

SAN MATEO COUNTY TREASURER'S OFFICE
PORTFOLIO APPRAISAL
SAN MATEO COUNTY POOL
February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
FEDERAL HOME LOAN BANK	3.00	12-29-23	03-29-23	100	8,250,000	99.78	8,232,015.00	98.18	8,100,206.98	40,562.50	8,140,769.48	AA+	0.11
FEDERAL HOME LOAN BANK	5.00	01-26-24	04-26-23	100	25,000,000	100.00	25,000,000.00	99.56	24,889,790.50	111,111.11	25,000,901.61	AAA	0.35
FEDERAL HOME LOAN BANK-STEP-UP	1.87	01-29-24	04-29-23	100	25,000,000	100.00	25,000,000.00	98.53	24,631,619.75	37,760.42	24,669,380.17	AA+	0.35
FEDERAL FARM CREDIT BANK	5.04	02-23-24	05-23-23	100	15,239,000	100.00	15,239,000.00	99.55	15,169,929.99	10,667.30	15,180,597.29	AAA	0.22
FEDERAL HOME LOAN BANK	2.66	02-23-24			25,000,000	100.00	25,000,000.00	97.45	24,362,021.50	9,236.11	24,371,257.61	AA+	0.35
FEDERAL HOME LOAN BANK	4.75	03-08-24			4,000,000	100.56	4,022,351.11	99.46	3,978,316.08	89,722.22	4,068,038.30	AAA	0.06
FEDERAL HOME LOAN BANK	4.75	03-08-24			25,000,000	100.63	25,158,241.67	99.46	24,864,475.50	560,763.89	25,425,239.39	AAA	0.35
FEDERAL HOME LOAN BANK	4.75	03-08-24			4,470,000	100.56	4,494,948.81	99.46	4,445,768.22	100,264.58	4,546,032.80	AAA	0.06
FEDERAL HOME LOAN BANK	4.75	03-08-24			19,000,000	100.68	19,129,983.79	99.46	18,897,001.38	426,180.56	19,323,181.94	AAA	0.27
FEDERAL HOME LOAN BANK	4.00	03-28-24	03-28-23	100	3,250,000	99.55	3,235,375.00	98.68	3,207,204.81	54,166.67	3,261,371.48	AAA	0.05
FEDERAL HOME LOAN BANK	2.72	04-29-24	04-29-23	100	25,000,000	100.00	25,000,000.00	97.16	24,289,464.50	224,777.78	24,514,242.28	AA+	0.34
FEDERAL HOME LOAN BANK-STEP-UP	2.00	04-29-24	04-29-23	100	25,000,000	100.00	25,000,000.00	98.03	24,507,226.00	40,277.78	24,547,503.78	AA+	0.35
FEDERAL HOME LOAN BANK	5.12	05-22-24	03-22-23	100	25,000,000	100.00	25,000,000.00	99.45	24,863,743.25	341,333.33	25,205,076.58	AAA	0.35
FEDERAL HOME LOAN BANK	4.72	06-07-24			15,000,000	100.00	15,000,000.00	99.45	14,917,929.75	159,300.00	15,077,229.75	AAA	0.21
FEDERAL HOME LOAN BANK	2.87	06-14-24			5,000,000	104.25	5,212,300.00	97.05	4,852,480.70	29,548.61	4,882,029.31	AA+	0.07
FEDERAL HOME LOAN BANK	2.81	06-14-24	06-14-23	100	25,000,000	100.00	25,000,000.00	96.95	24,236,340.00	144,402.78	24,380,742.78	AA+	0.34
FEDERAL HOME LOAN BANK	4.50	06-14-24			25,000,000	99.80	24,949,125.00	98.99	24,747,570.25	231,250.00	24,978,820.25	AAA	0.35
FEDERAL HOME LOAN BANK	4.87	06-14-24			10,000,000	100.06	10,006,156.82	99.48	9,948,017.30	100,208.33	10,048,225.63	AAA	0.14
FEDERAL HOME LOAN BANK	4.87	06-14-24			20,000,000	101.36	20,271,908.33	99.48	19,896,034.60	200,416.67	20,096,451.27	AAA	0.28
FREDDIE MAC	5.25	06-20-24	06-20-23	100	25,000,000	100.00	25,000,000.00	99.53	24,881,293.25	247,916.67	25,129,209.92	AAA	0.35
FEDERAL HOME LOAN BANK	5.25	06-21-24	06-21-23	100	25,000,000	100.00	25,000,000.00	99.52	24,879,259.25	244,270.83	25,123,530.08	AAA	0.35
FEDERAL HOME LOAN BANK	4.55	06-26-24			25,000,000	100.00	25,000,000.00	99.20	24,799,757.75	195,902.78	24,995,660.53	AAA	0.35
FEDERAL HOME LOAN BANK	2.75	06-28-24			14,165,000	96.77	13,706,782.96	96.86	13,720,618.03	64,922.92	13,785,540.94	AAA	0.19
FEDERAL HOME LOAN BANK	2.87	09-13-24			4,000,000	109.63	4,385,200.00	96.83	3,873,340.32	52,708.33	3,926,048.65	AA+	0.05
FEDERAL HOME LOAN BANK	4.87	09-13-24			15,000,000	101.48	15,221,775.00	99.44	14,916,020.40	335,156.25	15,251,176.65		0.21
FANNIE MAE	5.25	09-23-24	06-23-23	100	25,000,000	100.00	25,000,000.00	99.40	24,849,424.75	236,979.17	25,086,403.92	AAA	0.35
FANNIE MAE	1.62	10-15-24			15,900,000	99.83	15,872,811.00	94.78	15,070,727.39	95,455.21	15,166,182.60	AA+	0.21
FANNIE MAE	1.62	10-15-24			12,300,000	103.37	12,714,141.00	94.78	11,658,487.23	73,842.71	11,732,329.94	AA+	0.17
FEDERAL HOME LOAN BANK	4.50	10-25-24	04-25-23	100	25,000,000	100.00	25,000,000.00	99.26	24,814,044.75	384,375.00	25,198,419.75	AAA	0.35
FREDDIE MAC	4.65	11-15-24	11-15-23	100	25,000,000	99.95	24,987,500.00	99.24	24,809,563.25	332,604.17	25,142,167.42	AAA	0.35
FANNIE MAE	5.25	11-22-24	11-22-23	100	25,000,000	100.00	25,000,000.00	99.40	24,850,939.50	350,000.00	25,200,939.50	AAA	0.35
FREDDIE MAC	5.10	11-29-24	11-29-23	100	25,000,000	100.00	25,000,000.00	99.34	24,835,256.75	315,208.33	25,150,465.08	AAA	0.35
FEDERAL FARM CREDIT BANK	4.62	12-05-24			10,000,000	99.93	9,992,630.00	99.31	9,931,304.40	106,631.94	10,037,936.34	AAA	0.14
FEDERAL FARM CREDIT BANK	4.62	12-05-24			10,000,000	100.32	10,032,454.17	99.31	9,931,304.40	106,631.94	10,037,936.34	AAA	0.14
FANNIE MAE	1.62	01-07-25			34,900,000	99.68	34,788,669.00	94.29	32,907,400.20	80,342.71	32,987,742.91	AA+	0.47
FREDDIE MAC	5.20	01-10-25	04-10-23	100	25,000,000	100.00	25,000,000.00	99.20	24,801,066.75	173,333.33	24,974,400.08	AAA	0.35
FEDERAL HOME LOAN BANK	4.90	01-30-25	01-30-24	100	25,000,000	100.00	25,000,000.00	98.93	24,731,610.75	95,277.78	24,826,888.53	AAA	0.35
FREDDIE MAC	1.50	02-12-25			41,535,000	99.92	41,503,018.05	93.87	38,987,164.60	27,690.00	39,014,854.60	AA+	0.55
FEDERAL FARM CREDIT BANK	1.75	02-14-25			17,305,000	99.73	17,258,795.65	94.14	16,291,416.39	11,777.01	16,303,193.40	AA+	0.23
FEDERAL HOME LOAN BANK	2.37	03-14-25			18,800,000	106.96	20,109,420.00	95.08	17,875,133.44	203,405.56	18,078,538.99	AA+	0.25
FANNIE MAE	0.62	04-22-25			25,000,000	101.13	25,283,250.00	91.56	22,890,920.00	54,687.50	22,945,607.50	AA+	0.32
FREDDIE MAC	5.25	05-16-25	05-16-23	100	26,709,000	100.34	26,798,586.44	99.25	26,509,858.23	397,296.37	26,907,154.61	AAA	0.38
FEDERAL FARM CREDIT BANK	4.25	06-13-25			25,000,000	100.00	25,000,000.00	98.72	24,679,281.50	221,354.17	24,900,635.67	AAA	0.35
FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.50	06-17-25			24,800,000	99.79	24,748,664.00	90.87	22,536,333.62	24,455.56	22,560,789.18	AA+	0.32
FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.50	06-17-25			18,400,000	100.50	18,492,920.00	90.87	16,720,505.59	18,144.44	16,738,650.04	AA+	0.24
FEDERAL HOME LOAN BANK	3.30	06-30-25	06-30-23	100	7,000,000	99.85	6,989,500.00	96.16	6,731,241.51	37,216.67	6,768,458.18	AA+	0.10
FREDDIE MAC	0.37	07-21-25			15,135,000	99.50	15,059,627.70	90.25	13,659,915.81	5,833.28	13,665,749.09	AA+	0.19
FREDDIE MAC	0.37	07-21-25			5,000,000	99.62	4,981,100.00	90.25	4,512,691.05	1,927.08	4,514,618.13	AA+	0.06
FREDDIE MAC	0.37	07-21-25			10,000,000	99.52	9,951,600.00	90.25	9,025,382.10	3,854.17	9,029,236.27	AA+	0.13
FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.37	08-25-25			47,475,000	99.53	47,252,817.00	89.95	42,705,205.74	1,483.59	42,706,689.33	AA+	0.61
FEDERAL HOME LOAN BANK	0.37	09-04-25			5,140,000	99.70	5,124,580.00	89.98	4,624,895.52	9,316.25	4,634,211.77	AA+	0.07
FREDIE MAC	5.12	09-19-25	09-19-23	100	25,000,000	100.00	25,000,000.00	99.23	24,808,332.00	565,885.42	25,374,217.42	AAA	0.35
FREDDIE MAC	0.37	09-23-25			46,035,000	99.70	45,896,434.65	89.86	41,367,692.73	75,765.94	41,443,458.67	AA+	0.59

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
FREDDIE MAC	0.37	09-23-25			10,200,000	99.70	10,169,400.00	89.86	9,165,862.19	16,787.50	9,182,649.69	AA+	0.13
FREDDIE MAC	0.37	09-23-25			25,000,000	99.71	24,927,500.00	89.86	22,465,348.50	41,145.83	22,506,494.33	AA+	0.32
FREDDIE MAC	0.60	10-20-25	04-20-23	100	25,000,000	90.09	22,522,191.67	89.84	22,459,947.25	53,333.33	22,513,280.58	AAA	0.32
FANNIE MAE	0.50	11-07-25			18,015,000	99.64	17,950,506.30	89.64	16,149,497.21	27,773.12	16,177,270.33	AA+	0.23
FREDDIE MAC	5.50	12-16-25	06-16-23	100	13,827,000	100.24	13,860,724.05	99.27	13,726,151.25	152,097.00	13,878,248.25	AAA	0.19
FEDERAL HOME LOAN BANK	5.50	01-27-26			25,000,000	100.00	25,000,000.00	99.16	24,789,898.00	118,402.78	24,908,300.78	AAA	0.35
FEDERAL HOME LOAN BANK	5.20	01-27-26	04-27-23	100	16,950,000	100.00	16,950,000.00	98.81	16,748,956.39	75,898.33	16,824,854.72	AAA	0.24
FEDERAL FARM CREDIT BANK	5.50	05-14-26	11-14-23	100	25,000,000	100.00	25,000,000.00	99.12	24,779,981.25	397,222.22	25,177,203.47	AAA	0.35
FREDDIE MAC	5.00	06-18-26	06-20-24	100	25,000,000	100.00	25,000,000.00	98.83	24,707,428.25	236,111.11	24,943,539.36	AAA	0.35
FREDDIE MAC	4.65	07-30-26	07-30-24	100	25,000,000	100.00	25,000,000.00	98.09	24,522,392.50	90,416.67	24,612,809.17	AAA	0.35
FREDDIE MAC	5.10	09-14-26	09-14-23	100	25,000,000	100.00	25,000,000.00	99.13	24,781,381.25	580,833.33	25,362,214.58	AAA	0.35
FREDDIE MAC	0.80	10-27-26	04-27-23	100	12,650,000	86.99	11,004,797.22	87.18	11,028,409.02	34,014.44	11,062,423.47	AAA	0.16
FREDDIE MAC	0.80	10-27-26	04-27-23	100	5,000,000	87.76	4,388,172.22	87.18	4,359,054.95	13,444.44	4,372,499.39	AAA	0.06
FANNIE MAE	0.87	12-18-26	03-18-23	100	8,700,000	88.50	7,699,901.41	86.77	7,549,159.04	14,802.08	7,563,961.12	AAA	0.11
FANNIE MAE	5.20	06-01-27	06-01-23	100	25,000,000	100.00	25,000,000.00	98.66	24,665,764.00	314,166.67	24,979,930.67	AAA	0.35
FREDDIE MAC	5.00	06-28-27	06-28-24	100	25,000,000	100.00	25,000,000.00	98.26	24,566,055.25	208,333.33	24,774,388.58	AAA	0.35
FEDERAL FARM CREDIT BANK	5.73	11-17-27			25,000,000	100.00	25,000,000.00	99.20	24,800,409.75	401,895.83	25,202,305.58	AAA	0.35
FREDDIE MAC	5.12	11-22-27	11-22-24	100	50,000,000	100.00	50,000,000.00	98.89	49,444,108.00	683,333.33	50,127,441.33	AAA	0.70
FEDERAL HOME LOAN BANK	5.40	12-15-27	12-15-23	100	25,000,000	100.00	25,000,000.00	98.65	24,661,341.50	273,750.00	24,935,091.50	AAA	0.35
FEDERAL HOME LOAN BANK	4.55	12-27-27	12-27-24	100	25,000,000	100.00	25,000,000.00	97.48	24,369,510.00	192,743.06	24,562,253.06	AAA	0.35
FEDERAL HOME LOAN BANK	5.00	12-27-27	06-27-24	100	25,000,000	100.00	25,000,000.00	98.00	24,500,906.25	211,805.56	24,712,711.81	AAA	0.35
FREDDIE MAC	5.05	12-27-27	09-27-23	100	25,000,000	100.00	25,000,000.00	99.01	24,751,484.00	213,923.61	24,965,407.61	AAA	0.35
FREDDIE MAC	5.35	01-06-28	07-06-23	100	25,000,000	100.00	25,000,000.00	98.16	24,541,185.00	193,194.44	24,734,379.44	AAA	0.35
FEDERAL HOME LOAN BANK	5.35	01-12-28	01-12-24	100	25,000,000	100.00	25,000,000.00	98.21	24,553,382.50	170,902.78	24,724,285.28	AAA	0.35
FEDERAL FARM CREDIT BANK	5.14	01-18-28	01-18-24	100	25,000,000	100.00	25,000,000.00	97.96	24,490,103.25	142,777.78	24,632,881.03	AAA	0.35
FREDDIE MAC	5.00	02-07-28	02-07-24	100	25,000,000	100.00	25,000,000.00	98.93	24,731,311.75	72,916.67	24,804,228.42	AAA	0.35
FREDDIE MAC	5.02	02-16-28	02-16-24	100	10,000,000	100.00	10,000,000.00	99.32	9,931,970.80	16,733.33	9,948,704.13	AAA	0.14
FREDDIE MAC	5.02	02-16-28	02-16-24	100	25,000,000	100.00	25,000,000.00	99.32	24,829,927.00	41,833.33	24,871,760.33	AAA	0.35
					3,502,085,000		3,486,232,530.10		3,430,884,907.56	22,662,777.45	3,453,547,685.01		48.67
US INSTRUMENTALITIES													
INTERNATIONAL FINANCE CORP	0.50	03-20-23			7,500,000	98.44	7,382,760.00	99.77	7,483,013.85	16,458.33	7,499,472.18	AAA	0.11
INTL BK RECON & DEVELOP	1.75	04-19-23			15,000,000	99.58	14,937,615.00	99.60	14,940,595.95	94,062.50	15,034,658.45	AAA	0.21
INTL BK RECON & DEVELOP	0.12	04-20-23			17,500,000	99.79	17,463,775.00	99.35	17,385,461.62	7,777.78	17,393,239.40	AAA	0.25
INTER-AMERICAN DEVEL BK	0.50	05-24-23			10,000,000	100.53	10,053,500.00	99.01	9,901,000.00	13,055.56	9,914,055.56	AAA	0.14
INTER-AMERICAN DEVEL BK	0.50	05-24-23			2,775,000	98.30	2,727,902.42	99.01	2,747,527.50	3,622.92	2,751,150.42	AAA	0.04
INTL BK RECON & DEVELOP	1.87	06-19-23			20,000,000	98.88	19,777,000.00	99.07	19,813,042.80	71,875.00	19,884,917.80	AAA	0.28
IFC	2.87	07-31-23			25,000,000	98.75	24,688,500.00	99.07	24,766,750.00	55,805.56	24,822,555.56	AAA	0.35
INTL BK RECON & DEVELOP	2.32	09-27-23			10,956,000	99.56	10,907,355.36	98.73	10,817,192.63	1,125,449.01	11,942,641.64	AAA	0.15
INTL BK RECON & DEVELOP	0.25	11-24-23			17,625,000	99.78	17,587,106.25	96.48	17,005,128.75	11,505.21	17,016,633.96	AAA	0.24
INTL BK RECON & DEVELOP	2.50	03-19-24			10,000,000	107.39	10,739,200.00	97.14	9,713,600.00	110,416.67	9,824,016.67	AAA	0.14
INTER-AMERICAN DEVEL BK	0.50	09-23-24			24,390,000	99.93	24,371,951.40	93.15	22,719,285.00	52,506.25	22,771,791.25	AAA	0.32
INTL BK RECON & DEVELOP	1.62	01-15-25			15,000,000	99.77	14,965,500.00	94.20	14,130,150.00	29,114.58	14,159,264.58	AAA	0.20
INTER-AMERICAN DEVEL BK	1.75	03-14-25			25,000,000	105.37	26,342,750.00	93.99	23,497,250.00	199,305.56	23,696,555.56	AAA	0.33
INTL BK RECON & DEVELOP	0.37	07-28-25			25,000,000	99.83	24,956,750.00	90.29	22,571,500.00	7,812.50	22,579,312.50	AAA	0.32
INTL BK RECON & DEVELOP	0.50	10-28-25			20,000,000	100.11	20,023,000.00	89.76	17,952,400.00	33,333.33	17,985,733.33	AAA	0.25
INTER-AMERICAN DEVEL BK	1.50	01-13-27			15,000,000	99.69	14,954,100.00	89.66	13,448,571.30	17,500.00	13,466,071.30	AAA	0.19
INTER-AMERICAN DEVEL BK	1.50	01-13-27			4,650,000	99.67	4,634,887.50	89.66	4,169,057.10	5,425.00	4,174,482.10	AAA	0.06
					265,396,000		266,513,652.93		253,061,526.51	1,855,025.75	254,916,552.26		3.59
CORPORATE BONDS													
BB&T CORP.	2.20	03-16-23			10,000,000	99.93	9,992,600.00	99.88	9,987,599.50	99,000.00	10,086,599.50	A-	0.14
AMERICAN HONDA FINANCE	1.95	05-10-23			18,180,000	99.96	18,173,273.40	99.36	18,063,711.08	106,353.00	18,170,064.08	A	0.26

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
UNITED HEALTH GROUP INC	3.50	06-15-23			4,700,000	104.79	4,925,177.00	99.57	4,679,818.95	33,356.94	4,713,175.90	A+	0.07
PACCAR FINANCIAL CORP.	0.35	08-11-23			4,845,000	99.87	4,838,653.05	97.84	4,740,424.50	800.77	4,741,225.27	A+	0.07
TOYOTA MOTOR CREDIT CORP.	0.50	08-14-23			20,320,000	99.92	20,304,353.60	97.95	19,904,002.46	3,951.11	19,907,953.57	A+	0.28
UNILEVER CAPITAL CORP	0.37	09-14-23	03-01-23	100	3,130,000	99.87	3,125,993.60	97.44	3,049,968.03	5,347.08	3,055,315.11	A+	0.04
PEPSICO INC	0.40	10-07-23			5,150,000	99.94	5,147,064.50	97.13	5,002,020.47	8,068.33	5,010,088.80	A+	0.07
TOYOTA MOTOR CREDIT CORP	2.25	10-18-23			10,000,000	101.59	10,159,400.00	98.35	9,834,794.20	81,250.00	9,916,044.20	A+	0.14
ABBOTT LABORATORIES (A)	3.40	11-30-23			10,000,000	108.15	10,815,300.00	98.83	9,883,413.00	83,111.11	9,966,524.11	A-	0.14
JOHN DEERE CAPITAL CORP	0.45	01-17-24			19,895,000	99.93	19,880,874.55	95.90	19,080,272.10	10,196.19	19,090,468.28	A	0.27
CHARLES SCHWAB CORP	3.55	02-01-24	01-02-24	100	10,000,000	105.50	10,550,000.00	98.34	9,834,480.50	26,625.00	9,861,105.50	A	0.14
BANK OF NY MELLON CORP.	3.65	02-04-24	01-05-24	100	5,000,000	106.31	5,315,650.00	98.50	4,924,783.10	12,166.67	4,936,949.77	A	0.07
NATIONAL RURAL UTIL COOP	0.35	02-08-24			12,645,000	99.93	12,636,274.95	95.37	12,059,027.67	2,458.75	12,061,486.42	A-	0.17
AMERICAN EXPRESS CO (1)	3.40	02-22-24	01-22-24	100	10,000,000	103.82	10,382,500.00	97.95	9,794,615.20	5,666.67	9,800,281.87	BBB+	0.14
BANK OF AMERICA CORP	3.55	03-05-24	03-05-23	100	5,000,000	106.69	5,334,650.00	99.99	4,999,346.70	85,298.61	5,084,645.31	A-	0.07
CHARLES SCHWAB CORP-A	0.75	03-18-24	02-18-24	100	8,255,000	99.95	8,250,872.50	95.39	7,874,743.00	27,516.67	7,902,259.67	A	0.11
BANK OF AMERICA CORP.	4.00	04-01-24			10,000,000	106.68	10,668,400.00	98.50	9,850,100.00	163,333.33	10,013,433.33	A-	0.14
IBM CORP.	3.00	05-15-24			5,000,000	105.66	5,282,800.00	97.21	4,860,461.25	42,916.67	4,903,377.92	A-	0.07
CATERPILLAR FINANCIAL SERVICE	2.85	05-17-24			4,785,000	102.97	4,927,018.80	97.22	4,651,868.48	38,260.06	4,690,128.54	A	0.07
BANK OF AMERICA CORP-(A)	1.49	05-19-24	05-19-23	100	12,000,000	100.00	12,000,000.00	99.08	11,889,916.56	50,028.67	11,939,945.23	A-	0.17
NVIDIA CORP	0.58	06-14-24			5,000,000	97.97	4,898,600.00	94.28	4,713,899.10	6,002.22	4,719,901.32	A-	0.07
AMERICAN HONDA FINANCE	2.40	06-27-24			10,000,000	99.55	9,954,600.00	96.28	9,628,318.70	40,666.67	9,668,985.37	A	0.14
GOLDMAN SACHS GROUP INC.(A)	3.85	07-08-24	04-08-24	100	9,500,000	105.49	10,021,835.00	97.85	9,295,651.77	50,798.61	9,346,450.38	BBB+	0.13
GOLDMAN SACHS GROUP INC.(A)	3.85	07-08-24	04-08-24	100	9,990,000	107.44	10,733,755.50	97.85	9,775,111.70	53,418.75	9,828,530.45	BBB+	0.14
BANK OF AMERICA CORP. (1)	3.86	07-23-24			5,000,000	105.18	5,258,950.00	99.31	4,965,338.90	18,783.33	4,984,122.23	A-	0.07
BANK OF AMERICA CORP. (1)	3.86	07-23-24			5,000,000	106.77	5,338,750.00	99.31	4,965,338.90	18,783.33	4,984,122.23	A-	0.07
US BANCORP (A)	2.40	07-30-24	06-28-24	100	10,000,000	99.91	9,991,100.00	96.05	9,604,587.50	18,666.67	9,623,254.17	A-	0.14
BB&T CORP. (A)	2.50	08-01-24	07-01-24	100	15,000,000	99.86	14,979,750.00	96.03	14,405,172.90	28,125.00	14,433,297.90	A-	0.20
PACCAR FINANCIAL CORP	0.50	08-09-24			5,260,000	99.95	5,257,159.60	93.35	4,909,994.45	1,388.06	4,911,382.50	A+	0.07
BMW US CAPITAL LLC	0.75	08-12-24			4,080,000	99.99	4,079,632.80	93.73	3,823,992.32	1,360.00	3,825,352.32	A	0.05
UNILEVER CAPITAL CORP-A	0.63	08-12-24	03-01-23	100	2,320,000	100.00	2,320,000.00	93.59	2,171,360.01	645.48	2,172,005.49	A+	0.03
PACCAR FINANCIAL CORP.	2.15	08-15-24			8,000,000	100.13	8,010,560.00	95.66	7,652,723.76	6,211.11	7,658,934.87	A+	0.11
UNITED HEALTH GROUP INC	2.37	08-15-24			5,000,000	100.47	5,023,500.00	95.99	4,799,459.85	4,288.19	4,803,748.04	A+	0.07
WALT DISNEY CO. (A)	1.75	08-30-24	07-30-24	100	9,115,000	99.59	9,077,810.80	95.02	8,660,938.28	0.00	8,660,938.28	A	0.12
JOHN DEERE CAPITAL CORP	0.62	09-10-24			4,045,000	99.93	4,042,370.75	93.48	3,781,312.19	11,797.92	3,793,110.11	A	0.05
NESTLE HOLDINGS INC.-A	0.61	09-14-24			7,275,000	100.00	7,275,000.00	93.30	6,787,843.96	20,083.85	6,807,927.81	AA-	0.10
JP MORGAN CHASE & CO	0.65	09-16-24	08-16-24	100	7,455,000	100.00	7,455,000.00	97.28	7,252,351.48	21,906.52	7,274,258.00	A-	0.10
JP MORGAN CHASE & CO	0.65	09-16-24	08-16-24	100	8,000,000	100.04	8,003,280.00	97.28	7,782,536.80	23,508.00	7,806,044.80	A-	0.11
BANK OF NY MELLON CORP.	2.10	10-24-24			10,785,000	100.44	10,832,454.00	95.10	10,256,088.07	78,011.50	10,334,099.57	A	0.15
BANK OF NY MELLON CORP	0.85	10-25-24	09-25-24	100	8,915,000	99.93	8,909,205.25	93.26	8,313,939.29	25,890.65	8,339,829.93	A	0.12
PNC FINANCIAL SERVICES	2.20	11-01-24	10-02-24	100	5,000,000	99.97	4,998,350.00	95.41	4,770,344.55	35,750.00	4,806,094.55	A-	0.07
PNC FINANCIAL SERVICES	2.20	11-01-24	10-02-24	100	10,000,000	99.74	9,973,800.00	95.41	9,540,689.10	71,500.00	9,612,189.10	A-	0.14
CATERPILLAR FINL SERVICE	2.15	11-08-24			10,000,000	99.80	9,979,800.00	95.34	9,533,910.10	65,694.44	9,599,604.54	A	0.14
CATERPILLAR FINL SERVICE	2.15	11-08-24			25,000,000	100.22	25,055,500.00	95.34	23,834,775.25	164,236.11	23,999,011.36	A	0.34
JOHN DEERE CAPITAL CORP	2.05	01-09-25			12,000,000	100.08	12,010,080.00	94.64	11,356,555.08	33,483.33	11,390,038.41	A	0.16
JOHN DEERE CAPITAL CORP	1.25	01-10-25			5,480,000	99.95	5,477,424.40	93.24	5,109,789.39	9,133.33	5,118,922.73	A	0.07
COOPERATIEVE RABOBANK UA	5.00	01-13-25			10,000,000	99.98	9,998,500.00	99.58	9,957,946.30	62,500.00	10,020,446.30	A+	0.14
JP MORGAN CHASE & CO (A)	3.12	01-23-25	10-23-24	100	7,500,000	106.13	7,959,975.00	96.34	7,225,129.57	22,786.46	7,247,916.03	A-	0.10
PACCAR FINANCIAL CORP	1.80	02-06-25			5,450,000	104.51	5,695,849.50	93.81	5,112,852.92	5,995.00	5,118,847.92	A+	0.07
NATIONAL RURAL UTIL COOP	1.87	02-07-25			2,875,000	100.00	2,874,913.75	93.73	2,694,644.67	3,144.53	2,697,789.20	A-	0.04
NATIONAL RURAL UTIL COOP	1.87	02-07-25			5,000,000	95.61	4,780,400.00	93.73	4,686,338.55	5,468.75	4,691,807.30	A-	0.07
TOYOTA MOTOR CREDIT CORP.	1.80	02-13-25			7,000,000	100.98	7,068,390.00	93.74	6,561,937.06	5,250.00	6,567,187.06	A+	0.09
AMERICAN EXPRESS CO	2.25	03-04-25	03-04-23	100	3,485,000	99.90	3,481,480.15	94.04	3,277,317.87	37,899.37	3,315,217.25	BBB+	0.05
ROCHE HOLDINGS INC	2.13	03-10-25	02-10-25	100	8,620,000	100.00	8,620,000.00	94.21	8,121,000.96	85,763.25	8,206,764.21	AA	0.12
EXXON MOBIL CORPORATION	2.99	03-19-25	02-19-25	100	10,000,000	109.28	10,927,700.00	96.00	9,599,872.00	132,146.67	9,732,018.67	AA-	0.14

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
BMW US CAPITAL LLC	3.90	04-09-25	03-09-25	100	5,000,000	109.91	5,495,700.00	97.41	4,870,297.65	75,291.67	4,945,589.32	A	0.07
AMAZON.COM INC	3.00	04-13-25			25,090,000	99.84	25,050,106.90	96.30	24,162,146.21	282,262.50	24,444,408.71	AA	0.34
HOME DEPOT INC	2.70	04-15-25	03-15-25	100	1,040,000	99.82	1,038,180.00	95.39	992,009.26	10,374.00	1,002,383.26	A	0.01
SUNTRUST BANKS INC (A)	4.00	05-01-25	03-01-25	100	10,000,000	113.41	11,340,800.00	97.44	9,744,051.80	130,000.00	9,874,051.80	A-	0.14
APPLE INC	3.20	05-13-25			5,000,000	111.44	5,571,950.00	96.58	4,828,842.95	46,666.67	4,875,509.62	AA+	0.07
CATERPILLAR FINL SERVICE	3.40	05-13-25			7,505,000	99.87	7,495,468.65	96.55	7,246,043.65	74,424.58	7,320,468.24	A	0.10
CATERPILLAR FINL SERVICE	3.40	05-13-25			5,000,000	99.95	4,997,700.00	96.55	4,827,477.45	49,583.33	4,877,060.78	A	0.07
GOLDMAN SACHS GROUP INC (A)	3.75	05-22-25	02-22-25	100	9,000,000	111.69	10,052,100.00	96.62	8,695,988.01	90,000.00	8,785,988.01	BBB+	0.12
BRISTOL-MYERS SQUIBB CO	3.87	08-15-25	05-15-25	100	5,393,000	114.28	6,163,336.12	96.55	5,207,140.72	7,546.45	5,214,687.17	A+	0.07
PACCAR FINANCIAL CORP	4.95	10-03-25			2,500,000	99.93	2,498,150.00	99.69	2,492,297.75	49,843.75	2,542,141.50	AAA	0.04
MORGAN STANLEY	1.16	10-21-25	10-21-24	100	6,085,000	100.00	6,085,000.00	92.62	5,635,870.84	24,987.04	5,660,857.87	BBB+	0.08
NATIONAL AUSTRALIA BK/NY	4.97	01-12-26			16,780,000	100.00	16,780,000.00	99.59	16,711,929.75	106,476.56	16,818,406.31	AAA	0.24
CITIGROUP INC	2.01	01-25-26	01-25-25	100	4,950,000	100.00	4,950,000.00	93.25	4,615,917.82	9,138.52	4,625,056.34	BBB+	0.07
CITIGROUP INC	2.01	01-25-26	01-25-25	100	10,000,000	96.65	9,665,100.00	93.25	9,325,086.50	18,461.67	9,343,548.17	BBB+	0.13
MORGAN STANLEY	2.63	02-18-26	02-18-25	100	11,695,000	100.00	11,695,000.00	94.32	11,030,217.02	8,543.85	11,038,760.87	BBB+	0.16
MORGAN STANLEY	2.63	02-18-26	02-18-25	100	7,000,000	100.05	7,003,780.00	94.32	6,602,096.55	5,113.89	6,607,210.44	BBB+	0.09
AMAZON.COM INC	1.00	05-12-26	04-12-26	100	10,000,000	89.02	8,901,588.89	88.53	8,852,504.20	29,444.44	8,881,948.64	AAA	0.13
ASTRAZENECA FINANCE LLC	1.20	05-28-26			4,500,000	100.71	4,532,040.00	88.68	3,990,449.02	13,500.00	4,003,949.02	A-	0.06
TOYOTA MOTOR CREDIT CORP	1.12	06-18-26			5,815,000	99.78	5,802,090.70	88.28	5,133,428.21	12,720.31	5,146,148.52	A+	0.07
MICROSOFT CORP	2.40	08-08-26	05-08-26	100	10,000,000	94.11	9,411,100.00	92.74	9,273,717.40	13,333.33	9,287,050.73	AAA	0.13
BANK OF NY MELLON CORP	2.45	08-17-26	05-17-26	100	5,000,000	104.40	5,219,850.00	91.62	4,580,870.10	3,743.06	4,584,613.16	A	0.06
AMERICAN HONDA FINANCE	1.30	09-09-26			4,200,000	96.77	4,064,466.00	87.81	3,688,001.73	25,631.67	3,713,633.40	A-	0.05
JPMORGAN CHASE & CO	2.95	10-01-26	07-01-26	100	5,000,000	105.75	5,287,700.00	92.99	4,649,255.10	60,229.17	4,709,484.27	A-	0.07
JPMORGAN CHASE & CO	2.95	10-01-26	07-01-26	100	5,000,000	105.74	5,287,250.00	92.99	4,649,255.10	60,229.17	4,709,484.27	A-	0.07
CITIGROUP INC	3.20	10-21-26	07-21-26	100	10,000,000	93.55	9,354,877.78	93.01	9,301,250.20	112,888.89	9,414,139.09	AAA	0.13
HONEYWELL INTERNATIONAL	2.50	11-01-26	08-01-26	100	4,473,000	93.65	4,188,842.74	92.38	4,132,276.83	36,343.12	4,168,619.95	AAA	0.06
AMERICAN EXPRESS CO	1.65	11-04-26	10-04-26	100	5,000,000	99.29	4,964,450.00	88.44	4,421,935.00	26,125.00	4,448,060.00	BBB+	0.06
AMERICAN EXPRESS CO	1.65	11-04-26	10-04-26	100	10,000,000	94.49	9,449,300.00	88.44	8,843,870.00	52,250.00	8,896,120.00	BBB+	0.13
TARGET CORP	1.95	01-15-27	12-15-26	100	1,770,000	99.83	1,766,991.00	90.10	1,594,850.30	4,122.62	1,598,972.93	A	0.02
TARGET CORP	1.95	01-15-27	12-15-26	100	13,700,000	100.23	13,731,373.00	90.10	12,344,321.57	31,909.58	12,376,231.15	A	0.18
BANK OF NY MELLON CORP	2.05	01-26-27			10,000,000	100.12	10,012,100.00	89.74	8,973,571.10	18,222.22	8,991,793.32	A	0.13
GOLDMAN SACHS GROUP INC	3.85	01-26-27	01-26-26	100	9,500,000	96.43	9,160,470.00	94.60	8,987,353.21	32,511.11	9,019,864.32	AAA	0.13
JPMORGAN CHASE & CO	1.04	02-04-27	02-04-26	100	5,000,000	89.02	4,451,200.00	87.72	4,385,796.90	3,466.67	4,389,263.57	A	0.06
IBM CORP	2.20	02-09-27	01-09-27	100	5,000,000	98.63	4,931,400.00	89.85	4,492,696.80	5,805.56	4,498,502.36	A-	0.06
IBM CORP	2.20	02-09-27	01-09-27	100	5,000,000	90.58	4,528,950.00	89.85	4,492,696.80	5,805.56	4,498,502.36	A-	0.06
HONEYWELL INTERNATIONAL	1.10	03-01-27			10,000,000	95.31	9,531,400.00	86.94	8,693,532.50	54,083.33	8,747,615.83	A	0.12
HONEYWELL INTERNATIONAL	1.10	03-01-27			18,000,000	89.76	16,156,800.00	86.94	15,648,358.50	97,350.00	15,745,708.50	A	0.22
TRUIST FINANCIAL CORP	1.27	03-02-27			10,000,000	93.96	9,396,000.00	88.99	8,898,974.00	61,942.22	8,960,916.22	A-	0.13
COMCAST CORP	3.30	04-01-27			10,000,000	100.83	10,083,300.00	93.71	9,370,685.00	134,750.00	9,505,435.00	A-	0.13
AMAZON.COM INC	3.30	04-13-27	03-13-27	100	10,000,000	98.95	9,895,400.00	94.46	9,446,280.50	123,750.00	9,570,030.50	AA	0.13
NORTHERN TRUST CORP	4.00	05-10-27	04-10-27	100	12,311,000	101.42	12,485,816.20	96.86	11,924,493.45	147,732.00	12,072,225.45	A+	0.17
UNITED HEALTH GROUP INC	3.70	05-15-27	04-15-27	100	300,000	99.95	299,838.00	95.38	286,126.16	3,175.83	289,301.99	A+	0.00
IBM CORP	4.15	07-27-27	06-27-27	100	10,000,000	97.84	9,783,900.00	96.64	9,663,750.60	35,736.11	9,699,486.71	AAA	0.14
INTEL CORP	3.75	08-05-27	07-05-27	100	4,325,000	99.98	4,324,178.25	95.09	4,112,856.54	10,361.98	4,123,218.52	AAA	0.06
HOME DEPOT INC	2.80	09-14-27	06-14-27	100	5,000,000	93.91	4,695,433.33	92.06	4,603,207.80	63,777.78	4,666,985.58	AAA	0.07
TEXAS INSTRUMENT INC	2.90	11-03-27	08-03-27	100	10,000,000	93.77	9,376,788.89	92.52	9,251,902.40	92,638.89	9,344,541.29	AAA	0.13
COMCAST CORP	5.35	11-15-27	10-15-27	100	4,860,000	102.44	4,978,586.70	101.47	4,931,549.02	74,391.75	5,005,940.77	AAA	0.07
COMCAST CORP	5.35	11-15-27	10-15-27	100	5,000,000	103.03	5,151,276.39	101.47	5,073,610.10	76,534.72	5,150,144.82	AAA	0.07
STATE STREET CORP	1.68	11-18-27	11-18-26	100	15,000,000	89.51	13,426,031.67	88.39	13,259,111.55	70,166.67	13,329,278.22	AAA	0.19
JOHN DEERE CAPITAL CORP	4.75	01-20-28			5,000,000	101.90	5,095,013.89	99.48	4,974,057.30	25,069.44	4,999,126.74	A	0.07
					856,847,000		858,684,507.55		813,808,438.97	4,665,249.43	818,473,688.39		11.54

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

February 28, 2023

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
MONEY MARKET FUNDS													
DREYFUS-713762	0.00	03-01-23			1,068,053	100.00	1,068,052.77	100.00	1,068,052.77	0.10	1,068,052.87	AAA	0.02
DREYFUS-715757	0.00	03-01-23			0	100.00	0.00	100.00	0.00	0.00	0.00	AAA	0.00
					1,068,053		1,068,052.77		1,068,052.77	0.10	1,068,052.87		0.02
ASSET BACKED SECURITIES													
TOYOTA LEASE OWNER TRUST 2021-A A3	0.39	04-22-24	11-20-23	100	2,293,596	99.99	2,293,328.51	98.97	2,269,972.13	198.78	2,270,170.91	AAA	0.03
TOYOTA AUTO RECEIVABLES A3	1.66	05-15-24			2,103,760	99.99	2,103,608.38	99.60	2,095,345.23	1,261.09	2,096,606.32	AAA	0.03
BMW LEASE TRUST 2021-1 A4	0.37	07-25-24	07-25-23	100	2,315,000	100.00	2,314,908.09	98.20	2,273,330.00	71.38	2,273,401.38	AAA	0.03
GM FINANCIAL	1.84	09-16-24			926,416	99.98	926,197.59	99.64	923,080.66	568.20	923,648.86	AAA	0.01
HARLEY DAVIDSON TRUST (A)	1.87	10-15-24			168,385	99.98	168,348.55	99.88	168,183.21	113.71	168,296.91	AAA	0.00
TOYOTA AUTO RECEIVABLES	2.60	11-15-24			6,061,104	102.02	6,183,273.10	99.77	6,047,163.43	5,690.70	6,052,854.13	AAA	0.09
CARMAX A3	1.89	12-16-24			2,801,583	99.98	2,801,033.65	99.06	2,775,248.44	1,912.08	2,777,160.52	AAA	0.04
GM FINANCIAL AUTOMOBILE	0.50	07-21-25			2,260,000	100.00	2,259,918.41	95.68	2,162,368.00	251.11	2,162,619.11	AAA	0.03
KUBOTA CREDIT OWNER TRUST 2021-A1 A3	0.62	08-15-25			3,300,000	99.98	3,299,324.82	95.73	3,159,090.00	738.83	3,159,828.83	NR	0.04
VW AUTO LOAN ENHANCED TRUST 2021-1 A3	1.02	06-22-26			3,760,000	100.00	3,759,852.61	95.18	3,578,768.00	852.27	3,579,620.27	AAA	0.05
DISCOVER CARD EXECUTION NT 2021-A1 A1	0.58	09-15-26			8,325,000	99.98	8,323,217.62	93.07	7,748,077.50	1,743.62	7,749,821.12	AAA	0.11
GM FINL CONSMR AUTO RCVBL TRST 2021-4 A3	0.68	09-16-26	08-16-25	100	2,375,000	100.00	2,374,939.44	94.40	2,242,000.00	538.33	2,242,538.33	AAA	0.03
HYUNDAI AUTO RECVBL TRUST 2022-A A3	2.22	10-15-26	04-15-26	100	11,090,000	100.00	11,089,573.04	95.55	10,596,495.00	8,890.48	10,605,385.48	AAA	0.15
WORLD OMNI AUTO RCVBL TR 2021-D A3	0.81	10-15-26	08-15-25	100	3,485,000	99.99	3,484,525.34	95.62	3,332,357.00	1,019.36	3,333,376.36	AAA	0.05
CAPITAL ONE MULTI-ASSET EXEC. TRUST	1.04	11-15-26			7,170,000	99.99	7,169,011.97	93.22	6,683,874.00	2,692.73	6,686,566.73	AAA	0.09
					58,434,845		58,551,061.11		56,055,352.60	26,542.69	56,081,895.28		0.80
MUNICIPAL BONDS													
CALIFORNIA STATE TAXBL	3.40	08-01-23			10,000,000	104.35	10,434,900.00	99.29	9,929,400.00	25,500.00	9,954,900.00	AA-	0.14
SAN DIEGO CCD	2.00	08-01-23			5,790,000	100.00	5,790,000.00	98.79	5,720,056.80	8,667.63	5,728,724.43	AAA	0.08
UNIV OF CALIFORNIA REVS SRS 2020-BF	0.83	05-15-24			2,000,000	100.00	2,000,000.00	95.21	1,904,140.00	4,766.61	1,908,906.61	AA	0.03
CHAFFEY JT UN HSD	2.10	08-01-24			1,860,000	100.00	1,860,000.00	96.24	1,789,989.60	2,930.89	1,792,920.49	AA-	0.03
LOS ANGELES CCD SR 2020	0.67	08-01-24			4,450,000	100.00	4,450,000.00	94.31	4,196,795.00	2,246.14	4,199,041.14	AA+	0.06
UNIV OF CALIFORNIA REVS 2013-AG TXBL	3.05	05-15-25			2,950,000	109.67	3,235,206.00	95.94	2,830,200.50	25,742.85	2,855,943.35	AA	0.04
LOS ANGELES CCD SR 2020	0.77	08-01-25			6,735,000	100.00	6,735,000.00	90.85	6,118,478.10	3,904.62	6,122,382.72	AA+	0.09
					33,785,000		34,505,106.00		32,489,060.00	73,758.74	32,562,818.74		0.46
TOTAL PORTFOLIO					**7,299,570,898**		**7,307,962,040.74**		**7,049,023,281.76**	**44,204,807.27**	**7,093,228,089.03**		**100.00**

** TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MARKET PRICES ARE DOWNLOADED THROUGH (IDC) INTERACTIVE DATA CORP.

DIVERSIFICATION BY ISSUER

28-Feb-23	Asset-Backed	Cert. of Deposit	Comm. Paper	Corp. Bonds	Municipal Bonds	Total Par Value	Total %
Abbott Laboratories				$10,000,000		$10,000,000	0.15%
Amazon.com Inc				$45,090,000		$45,090,000	0.66%
American Express				$28,485,000		$28,485,000	0.42%
American Honda Finance				$32,380,000		$32,380,000	0.47%
Apple Inc.				$5,000,000		$5,000,000	0.07%
Astrazeneca Finance LLC				$4,500,000		$4,500,000	0.07%
Bank of America				$37,000,000		$37,000,000	0.54%
Bank of New York				$39,700,000		$39,700,000	0.58%
Bristol-Myers Squibb Co				$5,393,000		$5,393,000	0.08%
BB&T Corporation				$25,000,000		$25,000,000	0.37%
BMW	$2,315,000			$9,080,000		$11,395,000	0.17%
CA Municipal Obligation					$10,000,000	$10,000,000	0.15%
Canadian Imp Bk Comm NY		$50,000,000				$50,000,000	0.73%
Capital One Multi Asset Exectn Tru	$7,170,000					$7,170,000	0.10%
Carmax	$2,801,583					$2,801,583	0.04%
Caterpillar				$52,290,000		$52,290,000	0.76%
Chaffey JT Union HSD					$1,860,000	$1,860,000	0.03%
Charles Schwab Corp.				$18,255,000		$18,255,000	0.27%
CitiGroup				$24,950,000		$24,950,000	0.36%
Comcast Corp				$19,860,000		$19,860,000	0.29%
Cooperatieve Rabobank		$25,000,000		$10,000,000		$35,000,000	0.51%
Credit Agricole			$25,000,000			$25,000,000	0.37%
Credit Suisse NY		$35,000,000				$35,000,000	0.51%
Discover Card Execution Note	$8,325,000					$8,325,000	0.12%
Exxon Mobil				$10,000,000		$10,000,000	0.15%
General Motors	$6,128,691					$6,128,691	0.09%
Goldman Sachs				$37,990,000		$37,990,000	0.56%
Harley Davidson	$168,385					$168,385	0.00%
Home Depot Inc				$6,040,000		$6,040,000	0.09%
Honeywell International				$32,473,000		$32,473,000	0.47%
HSBC Bank		$50,000,000				$50,000,000	0.73%
Hyundai	$11,090,000					$11,090,000	0.16%
IBM Corp.				$25,000,000		$25,000,000	0.37%
Intel Corp				$4,325,000		$4,325,000	0.06%
John Deere				$46,420,000		$46,420,000	0.68%
JP Morgan				$37,955,000		$37,955,000	0.55%
Kubota Credit	$3,300,000					$3,300,000	0.05%
Los Angeles CCD					$11,185,000	$11,185,000	0.16%
Microsoft Corp				$10,000,000		$10,000,000	0.15%
Morgan Stanley				$24,780,000		$24,780,000	0.36%
MUFG Bank			$30,000,000			$30,000,000	0.44%
National Australia BK/NY				$16,780,000		$16,780,000	0.25%
National Rural Util Coop				$20,520,000		$20,520,000	0.30%
Natixis			$25,000,000			$25,000,000	0.37%
Nestle Holdings Inc				$7,275,000		$7,275,000	0.11%
Northern Trust				$12,311,000		$12,311,000	0.18%
Nvidia Corp				$5,000,000		$5,000,000	0.07%
Paccar Financial Group				$26,055,000		$26,055,000	0.38%
Pepsico Inc				$5,150,000		$5,150,000	0.08%
PNC Financial Services				$15,000,000		$15,000,000	0.22%
Roche Holdings Inc.				$8,620,000		$8,620,000	0.13%
Royal Bank of Canada			$25,000,000			$25,000,000	0.37%
San Diego CA CCD					$5,790,000	$5,790,000	0.08%
State Street Corp				$15,000,000		$15,000,000	0.22%
Sumitomo Mitsui Bank NY		$10,000,000				$10,000,000	0.15%
Suntrust Banks Inc				$10,000,000		$10,000,000	0.15%
Target Corp				$15,470,000		$15,470,000	0.23%
Texas Instrument Inc				$10,000,000		$10,000,000	0.15%
Toronto Dominion Bk NY		$74,000,000				$74,000,000	1.08%
Toyota	$9,891,185			$43,135,000		$53,026,185	0.78%
Truist Financial Corp				$10,000,000		$10,000,000	0.15%
Unilever Capital Corp				$5,450,000		$5,450,000	0.08%
United Health Group Inc.				$10,000,000		$10,000,000	0.15%
University of California					$4,950,000	$4,950,000	0.07%
US Bank				$10,000,000		$10,000,000	0.15%
Volkswagen	$3,760,000					$3,760,000	0.05%
Walt Disney Co.				$9,115,000		$9,115,000	0.13%
Westpac Banking		$50,000,000				$50,000,000	0.73%
World Omni	$3,485,000					$3,485,000	0.05%
Grand Total	**$58,434,845**	**$294,000,000**	**$105,000,000**	**$856,847,000**	**$33,785,000**	$1,348,066,845	19.70%

(In 000's)	MARCH 2023	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY 2024	FEBRUARY	TOTAL
CASH IN:													
Taxes:													
Secured	$123,983	$178,675	$5,270	$2,065	$64	$0	$0	$96,358	$350,842	$250,368	$48,844	$39,848	**$1,096,317**
Mixed	$265,510	$574,740	$34,958	$19,807	$18,918	$97,163	$33,565	$168,015	$434,926	$763,281	$86,065	$94,817	**$2,591,767**
State Automatics	$99,240	$56,664	$86,138	$112,599	$70,220	$87,528	$96,340	$89,507	$50,034	$109,892	$71,601	$85,537	**$1,015,299**
Unscheduled Sub. (Lockbox)	$24,429	$30,324	$28,232	$50,672	$14,677	$19,119	$38,987	$28,467	$58,293	$57,264	$38,101	$33,448	**$422,012**
Treasurer's Deposit	$72,172	$148,781	$64,605	$153,281	$57,250	$81,428	$77,612	$82,883	$104,615	$74,769	$94,175	$62,088	**$1,073,657**
Hospitals	$54,370	$91,627	$31,771	$10,735	$42,270	$15,912	$25,752	$41,318	$14,263	$16,027	$11,690	$16,669	**$372,404**
Revenue Services	$121	$74	$58	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$253**
Retirement Deposit	$0	$0	$5,000	$17,998	$0	$0	$0	$0	$0	$17	$0	$0	**$23,015**
Housing Authority	$3,931	$4,476	$8,489	$3,800	$4,097	$3,166	$4,852	$4,094	$4,625	$6,058	$3,337	$3,391	**$54,315**
SMCOE/SMCCCD	$3,932	$4,841	$3,532	$10,010	$979	$3,879	$7,717	$2,165	$4,329	$2,273	$3,619	$7,562	**$54,839**
GO Bond Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
TRANs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Coupon	$6,374	$4,025	$4,574	$3,835	$10,322	$7,134	$6,523	$7,777	$6,942	$6,400	$11,371	$10,143	**$85,419**
TOTAL CASH IN:	$654,061	$1,094,227	$272,625	$384,803	$218,796	$315,328	$291,347	$520,583	$1,028,869	$1,286,350	$368,804	$353,502	**$6,789,295**
CASH OUT:													
Tax Apportionments:	($3,748)	($124,217)	($11,425)	($48,386)	$0	($35,802)	($977)	($1,197)	($21,983)	($221,008)	($24,649)	($30,801)	**($524,193)**
Voluntary Particpants W/D	($4,502)	($75,024)	($34,860)	($37,293)	($47,201)	($15,284)	($16,460)	($24,999)	($30,032)	($152,792)	($142,743)	($32,625)	**($613,814)**
County Payments	($113,146)	($27,988)	($57,528)	($18,667)	($53,028)	($2,117)	($42,059)	($791)	($124,846)	($17,615)	($14,396)	($27,492)	**($499,672)**
GO Bond/TRANS Payments	($21,464)	($3,092)	$0	($20,327)	($40,484)	($87,044)	($113,958)	($6,461)	$0	$0	($26,076)	($26,120)	**($345,025)**
Payroll - County	($56,955)	($58,707)	($54,676)	($52,564)	($71,313)	($59,695)	($51,668)	($52,942)	($55,985)	($73,235)	($63,380)	($54,104)	**($705,222)**
SMCOE/SMCCCD	($109,783)	($104,572)	($109,893)	($115,981)	($85,716)	($73,043)	($103,409)	($114,370)	($112,613)	($134,027)	($82,130)	($110,538)	**($1,256,076)**
Retirement	($23,076)	($24,147)	($24,436)	($23,944)	($24,211)	($24,496)	($21,313)	($27,901)	($24,337)	($23,766)	($24,325)	($24,976)	**($290,929)**
SMC-payables	($86,142)	($95,689)	($70,273)	($101,065)	($135,621)	($56,033)	($69,341)	($83,460)	($62,081)	($97,916)	($80,210)	($118,336)	**($1,056,167)**
SMCOE-payables	($70,783)	($54,125)	($80,065)	($92,311)	($77,482)	($97,685)	($66,852)	($82,652)	($66,158)	($80,935)	($69,564)	($75,645)	**($914,257)**
SMCCCD-payables	($14,294)	($8,240)	($9,230)	($11,424)	($14,078)	($10,967)	($8,251)	($8,974)	($7,353)	($5,930)	($4,963)	($9,254)	**($112,957)**
Housing Authority(Payroll-Payables)	($3,987)	($4,799)	($5,760)	($4,274)	($3,865)	($3,691)	($3,634)	($3,451)	($4,437)	($4,894)	($3,204)	($3,270)	**($49,266)**
Other ARS Debits	($20,399)	($24,137)	($15,711)	($21,565)	($29,436)	($19,565)	($19,530)	($15,340)	($16,241)	($19,257)	($18,942)	($16,777)	**($236,900)**
Returned Chks/Misc. Fees	($7)	($2)	($50)	($4)	($37)	($12)	($563)	($186)	($44)	($8)	($18)	($3)	**($935)**
TOTAL CASH OUT:	($528,286)	($604,738)	($473,907)	($547,805)	($582,472)	($485,435)	($518,015)	($422,722)	($526,110)	($831,382)	($554,599)	($529,940)	**($6,605,411)**
TOTAL ESTIMATED CASH FLOW	$125,775	$489,489	($201,282)	($163,002)	($363,676)	($170,107)	($226,668)	$97,861	$502,759	$454,968	($185,796)	($176,437)	**$183,885**
MATURING SECURITIES (SMC)	**$236,740**	**$142,820**	**$187,255**	**$225,300**	**$195,000**	**$127,000**	**$245,035**	**$104,750**	**$184,796**	**$93,850**	**$50,000**	**$40,239**	**$1,832,785**
LAIF/CAMP/DREYFUS(SMC)	**$151,068**												**$151,068**
CALLABLE SECURITIES (SMC)	**$279,555**	**$231,700**	**$126,744**	**$195,827**	**$25,000**	**$0**	**$75,000**	**$0**	**$100,000**	**$25,000**	**$75,000**	**$60,000**	**$1,193,826**