



See what's possible.

**SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS  
PUBLIC ENTITY INVESTMENT TRUST**

---

**FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
TABLE OF CONTENTS  
JUNE 30, 2021 AND 2020**

---

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
STATEMENTS OF TRUST NET POSITION	3
STATEMENTS OF CHANGES IN TRUST NET POSITION	4
NOTES TO FINANCIAL STATEMENTS	5
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS	12
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS	14
<b>OTHER INDEPENDENT AUDITORS' REPORT</b>	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	15

---

## **FINANCIAL STATEMENTS**

---



## INDEPENDENT AUDITORS' REPORT

The Retirement Board of Authority of the  
San Mateo County Community College District  
Retirement Futuris Public Entity Investment Trust  
San Mateo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of San Mateo County Community College District (the "District") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Trust's financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Mateo County Community College District Retirement Futuris Public Entity Investment Trust, a fiduciary fund of San Mateo County Community College District as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District's Trust, and do not purport to, and do not, present fairly the financial position of the San Mateo County Community College District, as of June 30, 2021 and 2020, the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters****Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of Money-Weighted Rate of Return of OPEB Plan Investments on pages 12 - 14 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2021 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the Trust. 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 for the Trust. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering San Mateo County Community College District's internal control over financial reporting and compliance for the Trust.



San Diego, California  
December 1, 2021

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
STATEMENTS OF TRUST NET POSITION  
JUNE 30, 2021 AND 2020**

---

	2021	2020
<b>ASSETS</b>		
Investments:		
Mutual funds - fixed income	\$ 77,879,358	\$ 71,241,803
Mutual funds - equity	69,257,845	49,780,432
Mutual funds - real estate	10,298,457	7,859,063
Total Assets	<u>157,435,660</u>	<u>128,881,298</u>
<b>LIABILITIES</b>		
Accounts payable	<u>247,645</u>	<u>359,439</u>
<b>NET POSITION</b>		
Restricted for OPEB	<u>\$ 157,188,015</u>	<u>\$ 128,521,859</u>

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

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
STATEMENTS OF CHANGES IN TRUST NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**

---

	2021	2020
<b>ADDITIONS</b>		
Employer contributions	\$ 7,300,799	\$ 7,409,326
Net investment income:		
Dividends and other income	5,149,569	4,919,681
Realized and unrealized gains, net	24,041,212	1,010,576
Administrative expense	(524,625)	(450,368)
Total Additions	<u>35,966,955</u>	<u>12,889,215</u>
<b>DEDUCTIONS</b>		
Retiree benefits	<u>7,300,799</u>	<u>7,409,326</u>
<b>Change in net position</b>	28,666,156	5,479,889
<b>Net position, beginning of the year</b>	128,521,859	123,041,970
<b>Net position, end of the year</b>	<u>\$ 157,188,015</u>	<u>\$ 128,521,859</u>

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

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following information of the San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of the San Mateo County Community College District (the "District"), provides only general information of the Trust's provisions. Readers should refer to the Trust agreement for a more complete description. These financial statements include only the resources of the Trust and are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Organization: The Trust is a contributory single-employer defined benefit healthcare plan trust administered by the San Mateo County Community College District through a third party. The Trust provides medical insurance benefits to eligible retirees and their spouses. Membership consists of 667 retirees and beneficiaries currently receiving benefits and 1,021 active plan members. The Trust is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting. Contributions are recognized as revenue in the period in which contributions are due, pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of contributions are recognized when due and payable under the provisions of the Trust.

The financial statements of the Trust have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. In the U.S. the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The financial statements have been prepared consistent with GASB Codification Po50, Postemployment Benefit Plans Other than Pension Plans.

Funded Status and Funding Progress: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Plan Description: The District provides postemployment health care benefits (OPEB) for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The Other Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan. During the year ended June 30, 2010 the District signed an irrevocable trust (the "Trust") agreement. The District appointed a Retirement Board of Authority with authority to make decisions on behalf of the District with respect to the Futuris Public Entity Investment Trust Program. The Benefit Trust Company was appointed as the custodian and trustee to administer the Futuris Public Entity Investment Trust. OPEB provisions are established and amended per contractual agreement with employee groups. Management of the Plan is vested in the Retirement Board of Authority, which consists of five members.



**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Plan Description, continued: The following is a description of the current retiree benefit plan.

	AFSCME	Certificated Management	Certificated	Classified	Classified Management
Benefit types provided *	Medical, Part B	Medical, Part B	Medical, Part B	Medical, Part B	Medical, Part B
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Minimum Age	Retirement from	Retirement from	Retirement from	Retirement from	Retirement from
Required Service	Applicable	Applicable	Applicable	Applicable	Applicable
	Retirement	Retirement	Retirement	Retirement	Retirement
	System	System	System	System	System
Dependent Coverage	Yes	Yes	Yes	Yes	Yes
District Contribution %	100%	100%	100%	100%	100%
District Cap**	Active Single Cap	\$450 per month	\$450 per month	Active Single Cap	Active Single Cap

\*Some grandfathered employees and retirees are eligible for employer paid dental benefits.

\*\*The District contribution is changed periodically. Grandfathered employees and retirees receive benefits that may exceed this cap.

Plan membership: At June 30, 2021 and 2020, Plan membership consisted of the following:

	Number of Participants	
	2021	2020
Inactive Employees/Dependents Receiving Benefits	667	675
Active Employees	1,021	1,015
	1,688	1,690

Academic Employees: Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the “Magic 75” which is employee’s Age plus Years of District service, will qualify for retiree benefits as indicated in their Collective Bargaining agreement. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to September 8, 1993 and 20 years if hired on or after September 8, 1993.

CSEA, AFCSME, and All Non-represented Employees: Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the “Magic 75” which is employee’s Age plus Years of District service, will qualify for retiree benefits as indicated in their Collective Bargaining agreement. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to July 1, 1992 and 20 years if hired on or after July 1, 1992.

Benefit Payments: The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. The Plan is included in the District’s financial report and separately presented as a fiduciary fund.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Contributions: Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District were \$7,300,799 and \$7,409,326 for the years ended June 30, 2021 and 2020, respectively.

Investment Options: Benefit Trust Company (“BTC”), the Asset Custodian, maintains the Trust’s investments in various mutual funds, and is the record keeper. BTC contracted with Morgan Stanley Smith Barney as the investment advisor. Funds allocated to the Asset Custodian are invested according to the investment policy statement (IPS) developed and approved by the Retirement Board of Authority in a combination of equity and fixed income investments.

Investment Valuation: Investments are reported at fair value based upon market prices, when available, or estimates of fair value, and unrealized and realized gains and losses are included in the Statement of Change in Trust Net Position.

Net OPEB Liability (Asset) of the Trust: The components of the net OPEB liability (asset) of the Trust at June 30, 2021 and 2020, were as follows:

	2021	2020
Total OPEB liability	\$ 116,931,609	\$ 117,982,866
Fiduciary net position	157,188,015	128,521,859
Net OPEB liability (asset)	<u>\$ (40,256,406)</u>	<u>\$ (10,538,993)</u>
 Fiduciary net position as a percentage of the total OPEB liability	 134%	 109%

Actuarial Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimations are made about the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the June 30, 2021 actuarial measurement date, the entry age actuarial cost method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), based on assumed long return on plan assets assuming 100% funding through the Trust. Healthcare cost trend rates were 4%. An inflation rate of 2.75% and an expected payroll increase of 2.75% were utilized. The average hire age for eligible employees is 37 and the average retirement is 61. The actuarial present value of projected benefit payments is added for all employees to get the actuarial present value of total projected benefits and estimates present value of all future retiree health benefits for all employees and retirees. Participation rates were noted at 100% for certificated and classified employees. Mortality rates for certificated employees were based on the 2020 CalSTRS mortality tables.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Actuarial Assumptions, continued: Mortality rates for classified employees were based on the 2017 CalPERS active mortality for miscellaneous employees.

All actuarial assumptions above were the same as those used for the June 30, 2020 actuarial measurement date.

Plan Investments: The plan discount rate of 6.5% as of June 30, 2021 and 6.5% as of June 30, 2020 was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio		Rate of Return	
	2021	2020	2021	2020
Fixed Income	50%	50%	5%	5%
Equities	50%	50%	8%	8%

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Money-weighted rate of return on OPEB plan investments for the years ending June 30, 2021 and 2020 was 22.3% and 4.6%, respectively.

Sensitivity of the Net OPEB Liability (Asset) to Assumptions: The following presents the net OPEB liability (asset) calculated using the discount rate of 6.5% for June 30, 2021 and 6.5% for June 30, 2020. The schedule also shows what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower and 1% higher:

	Discount Rate		Discount Rate	
	1% Lower	Discount Rate	Discount Rate	1% Higher
June 30, 2021	(5.5%)	(6.5%)	(6.5%)	(7.5%)
Net OPEB liability (asset)	\$ (26,657,085)	\$ (40,256,406)	\$ (40,256,406)	\$ (51,602,017)

  

	Discount Rate		Discount Rate	
	1% Lower	Discount Rate	Discount Rate	1% Higher
June 30, 2020	(5.5%)	(6.5%)	(6.5%)	(7.5%)
Net OPEB liability (asset)	\$ 2,940,263	\$ (10,538,993)	\$ (10,538,993)	\$ (21,132,621)

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

	Health Care Trend Rate 1% Lower (3.0%)	Health Care Trend Rate Rate (4.0%)	Health Care Trend Rate 1% Higher (5.0%)
June 30, 2021			
Net OPEB liability (asset)	\$ (53,194,140)	\$ (40,256,406)	\$ (24,404,453)
	Health Care Trend Rate 1% Lower (3.0%)	Health Care Trend Rate Rate (4.0%)	Health Care Trend Rate 1% Higher (5.0%)
June 30, 2020			
Net OPEB liability (asset)	\$ (22,509,668)	\$ (10,538,993)	\$ 4,395,606

Plan Termination: In the event of Plan termination, the net position of the Trust would be allocated as prescribed in the Trust documents, generally to pay in the order indicated below:

- District's remaining retiree medical benefit liabilities.
- Reasonable expenses of administering the Trust.

Any assets remaining in the Trust after paying off the above liabilities shall revert back to the District.

**NOTE 2 – INVESTMENTS**

The Trust has adopted an internally developed investment policy that is governed by the standards established in the California Constitution. In addition, the Trust has written investment policies regarding the type of investments that may be made specifically for the Trust and the amount, which may be invested in any one financial institution or amounts that may be invested in long-term instruments. Management believes the Trust has complied with the provisions of statutes pertaining to the types of investments held, institutions in which deposits were made, and security requirements.

The fair values of the Trust's individual investments at June 30, 2021 and 2020, are as follows:

	2021	2020
Mutual funds - fixed income	\$ 77,879,358	\$ 71,241,803
Mutual funds - equity	69,257,845	49,780,432
Mutual funds - real estate	10,298,457	7,859,063
Total Investments	\$ 157,435,660	\$ 128,881,298

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 2 – INVESTMENTS, continued**

During the fiscal years ended June 30, 2021 and 2020, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

	2021	2020
Dividends and other	\$ 5,149,569	\$ 4,919,681
Realized gains, net	3,647,474	361,609
Unrealized gains, net	20,393,738	648,967
Administrative expense	(524,625)	(450,368)
Total Investment Income	<u>\$ 28,666,156</u>	<u>\$ 5,479,889</u>

Custodial Credit Risk: The California Government Code requires California banks and savings and loan associations to secure the Trust's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of the Trust.

Credit Risk: The Trust's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. The Retirement Board of Authority, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At June 30, 2021 and 2020, the Trust investments consisted of open-end mutual funds, therefore there are no credit ratings to disclose.

The OPEB Trust investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Trust to estimate the fair value of its financial instruments at June 30, 2021 and 2020.

Fair Value Hierarchy: Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

---

**NOTE 2 – INVESTMENTS, continued**

Assets Recorded at Fair Value: The following table presents information about the District's assets measured at fair value on a recurring basis as of June 30, 2021 and 2020:

June 30, 2021	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds - fixed income	\$ 77,879,358	\$ 77,879,358	\$ -	\$ -
Mutual funds - equity	69,257,845	69,257,845	-	-
Mutual funds - real estate	10,298,457	10,298,457	-	-
Total	<u>\$ 157,435,660</u>	<u>\$ 157,435,660</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2020	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds - fixed income	\$ 71,241,803	\$ 71,241,803	\$ -	\$ -
Mutual funds - equity	49,780,432	49,780,432	-	-
Mutual funds - real estate	7,859,063	7,859,063	-	-
Total	<u>\$ 128,881,298</u>	<u>\$ 128,881,298</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual funds were valued at closing prices from securities exchanges and are classified as Level 1 investments.

During the years ended June 30, 2021 and 2020, there were no significant transfers in or out of Level 1.

There were no assets or liabilities measured at fair value on a non-recurring basis at June 30, 2021 and 2020.

**NOTE 3 – COVID-19 IMPACT**

In December 2019, a novel strain of coronavirus surfaced and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Trust may be materially affected by this global pandemic. The extent to which the coronavirus may impact future investment income, and other business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

---

**REQUIRED SUPPLEMENTARY INFORMATION**

---

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 3,028,055	\$ 2,593,072	\$ 3,414,487	\$ 3,359,195	\$ 3,269,290
Interest	7,528,114	7,015,191	8,335,093	7,957,577	7,305,828
Change in assumptions	6,009,752	5,910,554	-	-	-
Experience gains/losses	(10,257,675)	293,734	(15,800,542)	-	-
Benefit payments	(7,359,503)	(7,409,326)	(7,432,730)	(7,222,945)	(7,230,215)
Net change in total OPEB liability	(1,051,257)	8,403,225	(11,483,692)	4,093,827	3,344,903
Total OPEB liability, beginning of year	117,982,866	109,579,641	121,063,333	116,969,506	113,624,603
Total OPEB liability, end of year (a)	\$ 116,931,609	\$ 117,982,866	\$ 109,579,641	\$ 121,063,333	\$ 116,969,506
Plan fiduciary net position					
Employer contributions	\$ 7,300,799	\$ 7,409,326	\$ 10,032,730	\$ 19,422,945	\$ 15,230,215
Investment income	29,190,781	5,930,257	5,948,263	6,028,034	9,043,304
Administrative expense	(524,625)	(450,368)	(419,134)	(376,812)	(337,684)
Expected benefit payments	(7,300,799)	(7,409,326)	(7,432,730)	(7,222,945)	(7,230,215)
Change in plan fiduciary net position	28,666,156	5,479,889	8,129,129	17,851,222	16,705,620
Fiduciary trust net position, beginning of year	128,521,859	123,041,970	114,912,841	97,061,619	80,355,999
Fiduciary trust net position, end of year (b)	\$ 157,188,015	\$ 128,521,859	\$ 123,041,970	\$ 114,912,841	\$ 97,061,619
Net OPEB liability (asset), ending (a) - (b)	\$ (40,256,406)	\$ (10,538,993)	\$ (13,462,329)	\$ 6,150,492	\$ 19,907,887
Covered payroll	\$ 100,583,668	\$ 102,312,968	\$ 98,883,699	\$ 91,765,187	\$ 83,799,966
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	134%	109%	112%	95%	83%
Net OPEB liability (asset) as a percentage of covered payroll	-40%	-10%	-14%	7%	24%

*This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.*



**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**

---

Valuation date	June 30, 2021
Measurement date	June 30, 2021
Census data	The census was provided by the District as of June 30, 2021
Actuarial cost method	Entry age actuarial cost method
Inflation rate	2.75%
Investment rate of return/discount rate	6.50%
Healthcare cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used.  For classified employees the 2017 CalPERS active mortality for miscellaneous and schools employees were used.
Spouse relevance	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.
Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2020 CalSTRS termination rates were used.  For classified employees the 2017 CalPERS termination rates for school employees were used.
Retirement rates	For certificated employees the 2020 CalSTRS retirement rates were used.  For classified employees the 2009 CalPERS retirement rates for school employees were used.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**

---

	2021	2020	2019	2018	2017
Money-weighted rate of return on OPEB plan investments	22.3%	4.6%	5.2%	6.1%	10.8%

*This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.*

---

**OTHER INDEPENDENT AUDITORS' REPORT**

---



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

To the Board of Trustees  
San Mateo County Community College District  
San Mateo, 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 accompanying financial statements of San Mateo County Community College Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of San Mateo County Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2021.

**Internal Control over Financial Reporting**

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*CWDL, Certified Public Accountants*

San Diego, California  
December 1, 2021