

Financial Statements  
June 30, 2022

Health Sciences High and Middle  
College  
Charter No. 0876

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**Independent Auditor’s Report**

Governing Board  
Health Sciences High and Middle College  
San Diego, California

**Report on the Financial Statements**

**Opinion**

We have audited the financial statements of Health Sciences High and Middle College (the Organization) (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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 (*Government Auditing Standards*). 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 Organization 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 opinion.

***Responsibilities of Management for the Financial Statements***

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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information on pages 16-24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Rancho Cucamonga, California  
\_\_\_\_\_, 2022

Health Sciences High and Middle College  
Statement of Financial Position  
June 30, 2022

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Assets		
Current Assets		
Cash and cash equivalents		\$ 4,225,628
Receivables		1,758,906
Prepaid expenses		<u>205,222</u>
Total current assets		<u>6,189,756</u>
Non-Current Assets		
Property and equipment, net		<u>689,247</u>
Total assets		<u>\$ 6,879,003</u>
Liabilities		
Current Liabilities		
Accounts payable		\$ 340,051
Accrued liabilities		193,883
Refundable advance		<u>928,184</u>
Total liabilities		<u>1,462,118</u>
Net Assets		
Without donor restrictions		4,786,185
With donor restrictions		<u>630,700</u>
Total net assets		<u>5,416,885</u>
Total liabilities and net assets		<u>\$ 6,879,003</u>

Health Sciences High and Middle College  
Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Local Control Funding Formula	\$ 6,600,441	\$ -	\$ 6,600,441
Federal revenue	891,803	-	891,803
Other State revenue	2,272,543	-	2,272,543
Local revenues	370,234	630,700	1,000,934
Interest income	21,083	-	21,083
Fundraising revenue	545	-	545
Total support and revenues	<u>10,156,649</u>	<u>630,700</u>	<u>10,787,349</u>
Expenses			
Program services	9,560,336	-	9,560,336
Management and general	720,915	-	720,915
Total expenses	<u>10,281,251</u>	<u>-</u>	<u>10,281,251</u>
Change in Net Assets	(124,602)	630,700	506,098
Net Assets, Beginning of Year	<u>4,910,787</u>	<u>-</u>	<u>4,910,787</u>
Net Assets, End of Year	<u>\$ 4,786,185</u>	<u>\$ 630,700</u>	<u>\$ 5,416,885</u>

Health Sciences High and Middle College  
Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services	Management and General	Total Expenses
Salaries	\$ 4,538,274	\$ 436,198	\$ 4,974,472
Employee benefits	1,540,944	25,241	1,566,185
Payroll taxes	209,113	10,404	219,517
Fees for services	560,377	43,515	603,892
Advertising and promotions	77,826	-	77,826
Office expenses	995,665	96,658	1,092,323
Information technology	54,073	1,477	55,550
Occupancy	34,547	3,320	37,867
Conferences and meeting	139,014	7,015	146,029
Interest	9	1	10
Depreciation	106,708	10,051	116,759
Insurance	32,378	3,112	35,490
Other expenses	550,742	39,049	589,791
Instructional materials	547,454	28,226	575,680
District oversight fees	173,212	16,648	189,860
	<u>\$ 9,560,336</u>	<u>\$ 720,915</u>	<u>\$ 10,281,251</u>
Total functional expenses	<u>\$ 9,560,336</u>	<u>\$ 720,915</u>	<u>\$ 10,281,251</u>

Health Sciences High and Middle College  
Statement of Cash Flows  
Year Ended June 30, 2022

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Operating Activities	
Change in net assets	\$ 506,098
Adjustments to reconcile change in net assets to net cash from (used for) operating activities	
Depreciation expense	116,759
Changes in operating assets and liabilities	
Receivables	114,757
Prepaid expenses	(51,569)
Intra-entity receivable	(531,825)
Accounts payable	(181,726)
Accrued liabilities	(5,319)
Refundable advance	455,628
Intra-entity payable	<u>519,709</u>
Net Cash from (used for) Operating Activities	<u>942,512</u>
Investing Activities	
Purchases of property and equipment	<u>(36,872)</u>
Net Change in Cash and Cash Equivalents	905,640
Cash and Cash Equivalents, Beginning of Year	<u>3,319,988</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,225,628</u></u>

**Note 1 - Principal Activity and Significant Accounting Policies****Organization**

Health Sciences High and Middle College (the Organization) was incorporated in the State of California in 2010 as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954. The Charter School was approved by the State of California Department of Education on October 6, 2006. In 2017, the Charter School was renewed by San Diego Unified School District for five years ending June 30, 2022.

Charter school number authorized by the State: 0876

Mission Statement: "We created HSHMC as a place where young people could learn about health and healthcare, while receiving a world-class education in a safe and supportive environment. HSHMC is a home away from home, an open door, and a place of rigor and academia – where students earn a diploma that matters. We do what it takes, we do no harm, we set no limits on our potential to learn and grow. Here, we are all family – and we LOVE what we do!"

**Basis of Accounting**

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Cash and Cash Equivalents**

The Organization considers all cash including cash in County Investment Pool and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Receivables and Credit Policies**

Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectible. Substantially all outstanding receivables as of June 30, 2022 are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

**Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

**Revenue and Revenue Recognition**

Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Consequently, at June 30, 2022 conditional contributions approximating \$1,996,354, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2022.

**Functional Allocation of Expenses**

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities and fundraising and development activities. The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include occupancy, and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**Income Taxes**

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Estimates**

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

**Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission.

**Recent Accounting Pronouncements**

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. Although the full impact of this update on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases. The ASU is effective for the Organization for the year ended June 30, 2023. Management is evaluating the impact of the adoption of this standard.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 4,225,628
Receivables	<u>1,758,906</u>
Total	<u>5,984,534</u>
Less those unavailable for general expenditure within one year due to Restrictions by donor with purpose restrictions	<u>(630,700)</u>
Financial assets availability to meet cash needs for general expenditure within one year	<u>\$ 5,353,834</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in the county investment pool.

**Note 3 - Property and Equipment**

Property and equipment consist of the following at June 30, 2022:

Capitalize Acquisition Costs	\$	425,000
Building improvements		387,935
Furniture and Fixtures		38,569
Computer and equipment		409,579
Transportation equipment		53,096
Construction in progress		23,380
		1,337,559
Less accumulated depreciation		(648,312)
Total	\$	689,247

**Note 4 - Operating Lease**

The Organization entered into a lease agreement with San Diego Unified School District in which the Organization will occupy 3910 University Avenue, San Diego, California for its campus location and will be charged annual rent of \$120. The term of this agreement expires on January 15, 2039. Lease expense for the fiscal year ending June 30, 2022 was \$120, which is included in occupancy in the statement of functional expenses.

Future minimum lease payments are as follows:

Year Ending June 30,		Lease Payment
2023	\$	120
2024		120
2025		120
2026		120
2027		120
Thereafter		1,390
Total	\$	1,990

**Note 5 - Net Assets**

Net assets consist of the following at June 30, 2022:

Net assets without donor restrictions	
Undesignated net assets	<u>\$ 4,786,185</u>
Net assets with donor restrictions	
Subject to expenditure for specified purpose	
California Educational Foundation Trust Grant	<u>\$ 630,700</u>

**Note 6 - Employee Retirement Systems**

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

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multi-employer plan.

The details of the plan are as follows:

**California State Teachers' Retirement System (CalSTRS)****Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

## Health Sciences High and Middle College

Notes to Financial Statements

June 30, 2022

**Benefits Provided**

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

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

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

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required state contribution rate	10.828%	10.828%

**Contributions**

Required member, the Organization, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above and the Organization's total contributions were \$1,037,613.

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the Organization. These payments consist of State General Fund contributions to CalSTRS in the amount of \$456,129 (10.828% of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**Note 7 - Contingencies, Risks, and Uncertainties**

The Organization 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 disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

**Note 8 - Subsequent Events**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through \_\_\_\_\_, 2022, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

Supplementary Information

June 30, 2022

# Health Sciences High and Middle College

Health Sciences High and Middle College  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster			
Basic Local Assistance Entitlement	84.027	13379	\$ 129,664
American Rescue Plan (ARP) Part B, Sec. 611			
Local Assistance Entitlement	84.027	15638	<u>30,146</u>
Total Special Education (IDEA) Cluster			<u>159,810</u>
Passed through California Department of Education (CDE)			
COVID-19 - Elementary and Secondary School Emergency			
Relief (ESSER) Fund	84.425D	15536	131,133
COVID-19 - Elementary and Secondary School Emergency			
Relief II (ESSER II) Fund	84.425D	15547	140,959
COVID-19 - Expanded Learning Opportunities (ELO) Grant			
ESSER II State Reserves	84.425D	15618	66,022
COVID-19 - Expanded Learning Opportunities (ELO)			
Grant GEER II	84.425C	15619	15,153
COVID-19 - Expanded Learning Opportunities (ELO)			
(ESSER III) State Reserve, Emergency Needs	84.425U	15620	43,039
COVID-19 - Expanded Learning Opportunities (ELO)			
(ESSER III) State Reserve, Learning Loss	84.425U	15621	<u>74,191</u>
Subtotal			<u>470,497</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	167,668
Title II, Part A, Supporting Effective Instruction	84.367	14341	25,055
Title III, English Learner Student Program	84.365	14346	13,194
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	11,707
Carl D. Perkins Career and Technical Education:			
Secondary, Section 131	84.048	14894	<u>16,450</u>
Total U.S. Department of Education			<u>704,571</u>
U.S. Department of Agriculture			
Passed through CDE			
Pandemic EBT Local Administrative Grant	10.649	15644	<u>614</u>
U.S. Department of Rehabilitation			
Passed through the California Department of General Services			
Workability II, Transition Partnership	84.126	10006	<u>26,808</u>
Total Federal Financial Assistance			<u>\$ 891,803</u>

## ORGANIZATION

Health Sciences High and Middle College (the Organization) (Charter Number 0876) was granted in 2006, by San Diego Unified School District. The Organization operates one high school.

## GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Frederick Johnson, M.D.	Chairman	July 2022
Fred McFarlane, Ph.D.	Secretary/Treasurer	July 2022
Dan Gross, R.N., DNSc	Member	July 2022
Melissa Hayden-Cook	Member	July 2023
Janie Kramer, R.N.	Member	July 2022
Scott Evans, Ph.D.	Member	July 2023
Trisha Khaleghi	Member	March 2022*

## ADMINISTRATION

Dr. Ian Pumpian	President/Chief Executive Officer
Dr. Doug Fisher	Chief Operations Officer
Dr. Nancy Frey	Chief Knowledge Officer
Dr. Sheri Johnson	Principal – Operations and Communication
Dr. Dominique Smith	Principal – Academic and Behavioral Supports
Broc Arnaiz, MA	Vice Principal
Oscar Corrigan, MA	Vice Principal

\*Vacancy held for Parent

Health Sciences High and Middle College  
Schedule of Average Daily Attendance  
Year Ended June 30, 2022

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	<u>Second Period Report</u>	<u>Annual Report</u>
Regular ADA Ninth through twelfth	<u>537.91</u>	<u>531.24</u>
Classroom Based ADA Ninth through twelfth	<u>537.91</u>	<u>531.24</u>

Health Sciences High and Middle College  
 Schedule of Instructional Time  
 Year Ended June 30, 2022

Grade Level	1986-1987 Minutes Requirement	2021-2022 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
					Traditional Calendar	Multitrack Calendar			
Grades 9 - 12	64,800								
Grade 9		65,750	-	65,750	178	-	-	178	Complied
Grade 10		65,750	-	65,750	178	-	-	178	Complied
Grade 11		65,750	-	65,750	178	-	-	178	Complied
Grade 12		65,750	-	65,750	178	-	-	178	Complied

See Note to Supplementary Information

Health Sciences High and Middle College  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
 Year Ended June 30, 2022

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Summarized below are the net asset reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

Net Assets	
Balance, June 30, 2022, Unaudited Actuals	\$ 5,138,810
Decrease in	
Property and equipment, net	(2,142)
Increase in	
Receivables	<u>271,778</u>
Balance, June 30, 2022, Audited Financial Statements	<u><u>\$ 5,408,446</u></u>

Health Sciences High and Middle College  
Combining Statement of Financial Position  
Year Ended June 30, 2022

	Health Sciences High and Middle College	Central Office	Eliminations	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,761,290	\$ 1,464,338	\$ -	\$ 4,225,628
Receivables	1,758,906	-	-	1,758,906
Intra-entity receivable	1,168,121	-	(1,168,121)	-
Prepaid expenses	205,222	-	-	205,222
<b>Total current assets</b>	<b>5,893,539</b>	<b>1,464,338</b>	<b>(1,168,121)</b>	<b>6,189,756</b>
<b>Non-Current Assets</b>				
Property and equipment, net	689,247	-	-	689,247
<b>Total assets</b>	<b>\$ 6,582,786</b>	<b>\$ 1,464,338</b>	<b>\$ (1,168,121)</b>	<b>\$ 6,879,003</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 52,273	\$ 287,778	\$ -	\$ 340,051
Accrued liabilities	193,883	-	-	193,883
Refundable advance	928,184	-	-	928,184
Intra-entity payable	-	1,168,121	(1,168,121)	-
<b>Total liabilities</b>	<b>1,174,340</b>	<b>1,455,899</b>	<b>(1,168,121)</b>	<b>1,462,118</b>
<b>Net Assets</b>				
Without donor restrictions	4,777,746	8,439	-	4,786,185
With donor restrictions	630,700	-	-	630,700
<b>Total net assets</b>	<b>5,408,446</b>	<b>8,439</b>	<b>-</b>	<b>5,416,885</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,582,786</b>	<b>\$ 1,464,338</b>	<b>\$ (1,168,121)</b>	<b>\$ 6,879,003</b>

Health Sciences High and Middle College  
Combining Statement of Activities  
Year Ended June 30, 2022

	Health Sciences High and Middle College	Central Office	Total
Support and revenues			
Local Control Funding Formula	\$ 6,600,441	\$ -	\$ 6,600,441
Federal revenue	891,803	-	891,803
Other State revenue	2,272,543	-	2,272,543
Local revenues	1,000,934	-	1,000,934
Interest income	21,083	-	21,083
Fundraising revenue	545	-	545
	<u>10,787,349</u>	<u>-</u>	<u>10,787,349</u>
Total support and revenues			
Expenses			
Program services	9,560,336	-	9,560,336
Management and general	720,915	-	720,915
	<u>10,281,251</u>	<u>-</u>	<u>10,281,251</u>
Total expenses			
Change in Net Assets	506,098	-	506,098
Net Assets, Beginning of Year	<u>4,902,348</u>	<u>8,439</u>	<u>4,910,787</u>
Net Assets, End of Year	<u>\$ 5,408,446</u>	<u>\$ 8,439</u>	<u>\$ 5,416,885</u>

**Note 1 - Purpose of Supplementary Schedules****Schedule of Expenditures of Federal Awards**Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The Organization has not elected to use the ten percent de minimis cost rate.

**Local Education Agency Organization Structure**

This schedule provides information about the Organization's operations, members of the governing board, and members of the administration.

**Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Organization. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at the Organization.

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable. The Organization must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 47612.5.

**Reconciliation of Annual Financial Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the unaudited actual financial report to the audited financial statements.

## **Combining Statement of Financial Position and Combining Statement of Activities**

The combining statement of financial position and combining statement of activities are included to provide information regarding the individual programs of the charter schools within the Organization and are presented on the accrual basis of accounting. Eliminating entries in the combining statement of financial position and combining statement of activities are for activities between each charter school.

Independent Auditor's Reports  
June 30, 2022

Health Sciences High and Middle  
College

**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***

Governing Board  
Health Sciences High and Middle College  
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Health Sciences High and Middle College (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated \_\_\_\_\_, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California  
\_\_\_\_\_, 2022

**Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Governing Board  
Health Sciences High and Middle College  
San Diego, California

**Report on Compliance for the Major Federal Program**

**Opinion on the Major Federal Program**

We have audited Health Sciences High and Middle College's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2022. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of the Organization 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 major federal program. Our audit does not provide a legal determination of the Organization'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 Organization's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control over Compliance**

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

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

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

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

Rancho Cucamonga, California  
\_\_\_\_\_, 2022

**Independent Auditor’s Report on State Compliance; Report on Internal Control Over Compliance  
Required by the 2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State  
Compliance Report**

Governing Board  
Health Sciences High and Middle College  
San Diego, California

**Report on State Compliance**

***Unmodified Opinion***

We have audited Health Sciences High and Middle College’s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2022.

In our opinion, the Organization complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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 Organization 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 state compliance with the compliance requirements subject to audit in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our audit does not provide a legal determination of the Organization’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 Organization’s compliance with the requirements listed in the table below.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed below has occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 compliance requirements as identified in the table below 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.

**Compliance Requirements Tested**

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

	Procedures Performed
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS</b>	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
Gann Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
<b>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS</b>	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program:	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, see below

	Procedures Performed
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	No, see below

Programs listed above for “Local Education Agencies Other Than Charter Schools” are not applicable to charter schools; therefore, we did not perform any related procedures.

We did not perform California Clean Energy Jobs Act procedures because the Organization did not receive funding for this program.

We did not perform procedures for the After/Before School Education and Safety Program because the Organization did not offer the program.

The Organization does not offer an Independent Study-Course Based Program; therefore, we did not perform any procedures related to the Independent Study-Course Based Program.

The Organization’s charter school was not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

ADA was below the threshold required for testing; therefore, we did not perform any procedures related to Determination of Funding for Nonclassroom-Based Instruction.

We did not perform procedures for the Charter School Facility Grant Program because the Organization did not receive funding for this program.

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over state compliance and the results of that testing based on the requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California  
 \_\_\_\_\_, 2022

Schedule of Findings and Questioned Costs  
June 30, 2022

Health Sciences High and Middle  
College

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major programs**

Name of Federal Program or Cluster	Federal Financial Assistance Listing
COVID-19 Education Stabilization Fund	84.425C, 84.425D & 84.425U
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**STATE COMPLIANCE**

Internal control over state compliance for programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

None reported.

Health Sciences High and Middle College  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.