

COUNTY OF SAN MATEO, CALIFORNIA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019



Juan Raigoza, Controller

County of San Mateo, California

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Fiscal Year Ended June 30, 2019



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November 25, 2019

The Honorable Members of the Board of Supervisors
Residents of the County of San Mateo, California

California Government Code sections 25250 and 25253 require that every county publish a complete set of audited financial statements within six months of the close of each fiscal year. The Comprehensive Annual Financial Report (CAFR) of the County of San Mateo (County) for the fiscal year ended June 30, 2019 is hereby published.

Management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls established for this purpose. As the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The County's independent auditor, Macias Gini & O'Connell LLP, has issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) section, which appears on pages 4-23 of this report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

Profile of the Government

The County, one of the nine counties in the San Francisco Bay Area, was established by State law in 1856. The County occupies 455 square miles and contains 20 cities on a peninsula bounded by the City and County of San Francisco to the North, Santa Clara and Santa Cruz Counties to the South, San Francisco Bay to the East, and the Pacific Ocean to the West. Though sandwiched between two large urban areas, the County is a pleasant mix of suburban and rural areas. Most of the County's 774,485 residents live in the suburban corridor east of the Santa Cruz Mountains, which bisect the County. The western part of the County remains primarily rural and has some of California's most beautiful coastline.

The County performs a dual role that differs from cities. Cities generally provide services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. Similarly, the County provides these city-type services for residents who do not live within a city but live in the unincorporated area. Additionally, as a subdivision of the State, the County provides a vast array of other services including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety.

The County is governed by a five-member Board of Supervisors (the Board) and is one of fourteen "charter counties" in the State of California. Each Supervisor serves on the Board for four-year terms on a full-time basis, must reside in one

of the five districts of the County, and is elected by district in non-partisan elections. The Board is responsible, among other duties, for passing ordinances, adopting the County's budget, and appointing the County Manager/Clerk of the Board, the County Counsel, and members of various boards, commissions, and committees. The County Manager, in turn, appoints the non-elected directors of County departments. The County Chief Probation Officer is appointed by the Judicial Council of California. Six elected officials are responsible for the Offices of the Assessor-County Clerk-Recorder, Controller, Coroner, District Attorney, Sheriff, and Treasurer-Tax Collector.

Included in the County's operations are various "blended" component units which provide specific services countywide or to distinct areas within the County. While the component units are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County's Board. The County has the following "blended" component units: the San Mateo County Joint Powers Financing Authority, San Mateo County Housing Authority, In-Home Supportive Services Public Authority, and numerous County Service Areas and dependent special districts which provide sewer and sanitation, flood control, lighting, and other services.

Key Financial Policies

Investments

The County investment pool was established to meet the County's liquidity and long-term investment needs. The Board established an eight-member oversight committee under State law to monitor the management of public funds in the investment pool. The oversight committee meets at least three times a year to evaluate general strategies, monitor results, and evaluate the economic outlook, portfolio diversification, maturity structure, and potential risks to the invested funds. The Board reviews and approves the Investment Policy annually. The foundation of the County Investment Policy is in the priority order of safety, liquidity, and yield. The County pool is not only designed as an income fund to maximize returns but also attempts to match maturities with capital expenditures and other planned outlays. The current County Investment Policy was approved by the Board on January 8, 2019 and subsequently updated on June 4, 2019 and October 8, 2019. All amendments to the policy require the Board's approval.

Reserves

The Board approved the original County Reserves Policy in April 1999. The creation of this policy was initiated to reduce the negative impact on the County's financial resources during times of economic uncertainty and potential losses of funding from other governmental agencies. In 2010, the Board adopted the revised policy to align it with the current fiscal environment. In 2011 the Board authorized the use of 50% of future Excess ERAF proceeds for ongoing purposes. The current ERAF reserves and the remaining 50% of future proceeds are only to be used for one-time purposes as described in the County Reserves Policy. In 2013 the Board directed the County Manager to amend the Fund Balance Policy by changing the year-end Fund Balance split with General Fund departments to 50/50.

Fund balance and reserves are viewed as one-time sources of funding and can only be used either for one-time purposes or as part of a multi-year financial plan to balance the budget. Such constraints prohibit the creation of operating deficits through dependency on fund balance and reserves for ongoing expenditures. The policy requires departments to maintain reserves at a minimum of 2% of their net appropriation; General Fund reserves shall be maintained at a minimum of 5% of total General Fund net appropriations; appropriations for contingencies shall be maintained at 3% of total general fund net appropriations; a minimum reserve of \$2 million shall be maintained for capital improvements; and there shall be a minimum \$2 million in reserves for countywide automation projects.

Budget

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority and certain other special revenue funds, the County Manager's Office prepares a budget for all governmental funds on the modified accrual basis of accounting in accordance with California Government Code Sections 29000 et seq.

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the object level (e.g., salaries and benefits) within a budget unit in a fund. Budgets are enacted into law through the passage of resolutions for appropriations and financing means. These resolutions set the County's limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County Manager and Controller without Board of Supervisors approval, provided that the overall appropriations of the budget unit are not increased. All other budget transfers and appropriations must be approved by the Board.

Debt Service Limit and Debt Management Policy

Under the County's Debt Limit Ordinance, the Board is required to establish the County debt service limit annually. The debt service limit is applicable to non-voter-approved debt that is the obligation of the County. The limit does not include any voter-approved debt or any debts of agencies other than the County whether governed by the Board or not. The annual debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years. The approved limit can be exceeded only through a 4/5 vote of the Board and upon a finding that such action is necessary and in the best interest of the County and its residents.

In 2018, the County adopted its current debt management policy in accordance with Senate Bill 1029. The policy develops a systematic and prudent approach to debt issuance and debt management, ensures access to debt capital markets and direct purchase investors through prudent and flexible policies, assists the County in achieving the highest practical credit rating, and ensures compliance with applicable state and federal laws. The policy sets forth the purposes for which the County may engage in long-term borrowing, short-term borrowing, and refinancing of existing debt. The policy also establishes the types of debt that the County may issue and prohibits the County's use of derivatives and interest rate swaps in its debt program. The County's Joint Powers Financing Authority approved the same policy in 2018.

Economic and Financial Outlook

Global economic growth, measured using Gross Domestic Product (GDP), is projected to continue at 3.0% for 2019 down from the 2018 level of 3.6% and forecasted to be 3.4% in 2020. The United States' growth is forecasted at an annual rate of 2.5% in 2019, down from 2.9% in 2018. Lower U.S. growth rates of 1.7% and 1.6% are projected for 2020 and 2021, respectively. The GDP of the San Francisco metropolitan area, which includes San Mateo County, increased by 3.4% in 2017 (latest available data) while the average U.S. metro area grew 2.1% in 2017.

Unemployment rates have declined steadily over the past years. As of September 2019, the County's unemployment rate was 1.7% (down from 2.1% in 2018) and was lower than the State's rate of 4.0% and the national rate of 3.5%.

Property tax revenues are the County's largest source of General Fund revenues. The health of the local real estate market and associated changes in assessed property values are key indicators of the County's financial outlook. For fiscal year (FY) 2019-20 the total value of assessed properties within the County increased by 7.1% to \$238.4 billion. This will increase the countywide multi-jurisdictional property tax revenue base to \$2.38 billion. Property values experienced their eighth consecutive year of record growth in FY 2019-20. Countywide property tax revenues are shared by local taxing agencies (schools, cities, special districts, and County) that operate within the County.

The median sale price paid for a Bay Area home (house and condo) in August 2019 was \$810,000, down 2.4% from August 2018. Within the County, the median home price in August 2019 decreased to \$1,286,500, a 1.0% fall from August 2018. The County's median single-family house price increased 3.2% to \$1,547,500 in August 2019 from \$1,500,000 in August 2018. While this may result in lower near-term growth rates to assessed property values and property tax revenues, housing affordability continues to be a challenge across the Bay Area.

The California Association of Realtors' Traditional Housing Affordability Index measures the percentage of households that can afford to purchase a median-priced single family home. The housing affordability index for the Bay Area was 24 as of the quarter ending in June 2019. The County's affordability index was 18 (up from the prior year's index of 14), while the U.S. index was 55 and the State's was 30 in June 2019. Accordingly, during the June 2019 quarter, 18% of households in the County could afford to purchase a median-priced single family home within the County.

The commercial real estate market remains strong with low vacancy and steady leasing rates. The average asking rate to lease office space in the County increased by 15.8%, from \$5.14 per square foot per month in June 2018 to \$5.95 as of June 2019. Meanwhile, the County's vacancy rate for overall commercial property increased slightly to 4.3% in June 2019, up from 3.7% in June 2018. Local vacancy rates and leasing rates of commercial properties are indicators of the overall demand for commercial space and of the general economy within the County.

Long-Term Financial Planning

Educational Revenue Augmentation Fund (ERAF)

Since FY 1992-93 cities, special districts, and the County have been mandated to shift a portion of their property tax dollars to the ERAF to be used to reduce the State's obligation in funding school districts. School districts that receive less than their minimum State guaranteed amount based on the Local Control Funding Formula (LCFF amount) are eligible to receive revenues from the ERAF. School districts that receive property taxes equal to or greater than their LCFF amount do not receive ERAF monies. In FY 2018-19, 10 out of the 24 K-14 school districts in San Mateo County received ERAF monies.

Any money in the ERAF that is in excess of the total amount that applicable school districts are eligible to receive less special education funding, as determined by the California Department of Education, and funding for community colleges is returned to the above-referenced taxing agencies in the same proportion as their contributions. This is referred to as "Excess ERAF". In FY 2018-19, Excess ERAF increased to \$170 million. The County is conservative in budgeting Excess ERAF (see the "Reserves" section above) since such revenues are subject to legislative risks.

Employees' Retirement Plan

In FY 2014-15 the County implemented the Government Accounting Standards Board (GASB) Statement No. 68 which requires financial reporting of pension plans in the basic financial statements. GASB Statement No. 68 also requires additional disclosures in the Notes to the Basic Financial Statements and Required Supplementary Information sections of the CAFR. The San Mateo Employees' Retirement Association (SamCERA) administers the pension plan for the County and its employees. Because of this reporting standard SamCERA and the County now use two different actuarial valuation methods for the County's pension plan - one for financial reporting purposes as required by GASB Statement No. 68, and another for funding purposes to determine the County's annual contribution to the plan.

As of June 30, 2019, for financial reporting purposes, the County's net pension liability was \$461.4 million, and the plan's funded ratio was 90.0%. Contributions from the County to the pension plan totaled \$236.1 million in FY 2018-19. For financial reporting purposes, SamCERA used a discount rate of 6.92% in FY 2018-19.

As of June 30, 2019, for funding purposes, as reported by SamCERA, the entire pension plan's Unfunded Actuarial Accrued Liability (UAAL) totaled \$774 million, an increase of \$155 million from the UAAL of \$619 million in FY 2017-18. For funding purposes, the pension plan's funded ratio decreased from 87.5%, as of June 30, 2018, to 85.8% as of June 30, 2019, while the County's proportionate share of the plan's unfunded liability decreased to \$736.9 million (95.16% of \$774 million). For funding purposes, SamCERA reduced the discount rate from 6.75% in FY 2017-18 to 6.50% in FY 2018-19.

The table below shows the differences between the two actuarial valuation methodologies. For this year, FY 2018-19, the differences in "net/unfunded liability" amounts and the funded ratios between the two methodologies increased. The

effect of changing the discount rate for funding purposes from 6.75% to 6.50% caused an increase to the UAAL of \$174 million, which in turn contributed to decreasing the funded ratio from 87.5% to 85.8%.

	Funding Purposes	Financial Reporting Purposes
Discount Rate / Assumed Rate of Return	6.50%	6.92%
Measurement Date of Assets	June 30, 2019	June 30, 2018
Recognition of Investment Income (Loss)	Gain (loss) recognized over a 5-year period	Projected gain plus/minus 20% of the difference between projected and actual gain (loss)
Funded Ratio as of June 30, 2019	85.8%	90.0%
Unfunded Actuarial Accrued Liability as of June 30, 2019	\$736.9 million	n/a
Net Pension Liability as of June 30, 2019	n/a	\$461.4 million

The discount rate, the assumed investment rate of return, has a significant impact when determining the actuarial net pension liability amount. Note 13, Employees' Retirement Plans, includes a required disclosure titled *Sensitivity of the County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate*. Decreasing the discount rate by 1% from 6.92% to 5.92% would increase the County's net pension liability for financial statement reporting purposes from \$461.4 million to \$1.12 billion. Similarly, significant changes to the unfunded liability amount for funding purposes would result if the discount rate were to be decreased from 6.50% to 5.50%.

In FY 2013-14 the Board approved a resolution to accelerate the payment of unfunded pension liabilities by contributing an additional \$50 million from reserves in FY 2013-14 and an additional \$10 million in each of the following nine years. These extra contributions are in addition to the annual contractually required contribution amounts. Under this scenario the County was expecting to achieve a 90% funded ratio in 7 years, and 100% in 11 years, if actuarial assumptions used for funding purposes are realized. These additional contributions were estimated to save the County about \$304 million in cumulative contributions and, therefore, reduce operating costs over the next 30 years.

Other Postemployment Benefits (OPEB)

The County administers an "other postemployment benefits" (OPEB) Retiree Health Plan to members who retire from the County and are eligible to receive a pension from SamCERA. As such, eligible retirees may elect to continue healthcare coverage in the County health plan and convert sick leave hour balances to a County-paid monthly benefit that will help pay their retiree health premiums. The County funds its OPEB obligations through the California Employers' Retiree Benefits Trust (CERBT).

In FY 2017-18, the County implemented GASB Statement No. 75 which specifies the accounting and financial reporting requirements for postemployment benefits other than pensions. GASB Statement No. 75 is similar to pension reporting standards (GASB Statement No. 68) in that it requires reporting of the net OPEB liability amount on the face of the financial statements. It also requires additional disclosures in the CAFR's Notes to the Basic Financial Statements and Required Supplementary Information sections about the actuarial assumptions and methods used to account for the OPEB plan. These changes will improve the transparency of the plan and its unfunded liability amount.

For the fiscal year ended June 30, 2019 the County contributed \$28.6 million to the Retiree Health Plan. Using a discount rate of 6.50%, the plan's funded ratio was 74.6% as of June 30, 2019. The County's total net OPEB liability was \$99.6 million as of June 30, 2019.

Measure K Sales Tax Revenues

In November 2012 the voters approved Measure A which provided for a one-half cent countywide sales tax increase until March 2023. In November 2016 voters passed Measure K which extended the sales tax for an additional 20 years. Measure K programs and initiatives are tracked separately for budgeting and reporting purposes and are mostly funded on a reimbursement basis, while success is measured through approved performance measures. SMC Performance, an online dashboard, provides information about the use of Measure K funds.

In FY 2018-19 the Measure K tax generated \$98.6 million while \$102.6 million of current and prior year revenues was spent on Measure K funded initiatives. Significant expenditures for FY 2018-19 included, among others: the Regional Operations Center (\$30.5 million), District Attorney's Office Elder Dependent Adult Protection program (\$950 thousand), Affordable Housing (\$14 million), Early Learning and Care Trust Fund, a.k.a. the Big Lift (\$7.9 million), technology and open data initiatives (\$4.8 million), County fire engine replacement (\$630 thousand), SamTrans - Youth, Elderly, Disabled services (\$1.8 million), and at-risk foster youth services (\$900 thousand).

Affordable Care Act

The Affordable Care Act (ACA) changed health care coverage for Americans in two significant ways. It expands Medicaid (called Medi-Cal in California) to cover more low-income individuals in the States that have chosen to pursue such an expansion and provides subsidies for low and middle-income Americans to purchase insurance through health insurance marketplaces.

The implementation of the ACA in San Mateo County has been a success. The Human Services Agency, in partnership with the Health System and a network of community-based organization partners, is in the fifth season of Open Enrollment for health insurance coverage under the ACA. Census data to track the impact of the ACA's health insurance expansion on the number of uninsured Americans lags by about two years, but the most recent estimates (Fall 2018) indicate that 96% of San Mateo County residents are insured, a sizable increase since the pre-ACA insured level of 89%.

As of October 2019, approximately 30,000 San Mateo County residents are enrolled in the segment of Medi-Cal that was expanded through the ACA and approximately 24,000 residents are enrolled in a health insurance offering through California's health insurance marketplace, Covered California.

In addition to the expansion of Medi-Cal coverage, the ACA added treatment for moderate mental illness and for substance use treatment as Medi-Cal benefits. The ACA has increased access to mental health services by four-fold since inception and allowed the County to become the first California entity to implement substance use treatment under the ACA, doubling the number of persons in treatment.

The ACA's provisions also affect the financing of healthcare, particularly for health care providers that serve a large population of low-income residents. Of the approximately 30,000 residents who are enrolled in the expanded component of Medi-Cal, almost 14,000 are assigned to San Mateo Medical Center (SMMC). SMMC's revenues and net operating results have improved since a greater proportion of the patients it serves have insurance.

However, the full long-term financial impacts to SMMC may not be known for several years as various financial components that are part of California's Medi-Cal and healthcare safety net financing continue to evolve, and certain payment sources have changed from reimbursement of costs to performance-based. There has been uncertainty regarding the alignment of interests between California and federal administration with regard to the next Medicaid waiver, which will require negotiations, and the ACA components that have been the subject of federal legislative proposals.

Infrastructure

The County is currently investing significant resources in County buildings and other infrastructure. During FY 2018-19 almost \$87 million was spent on construction in progress, and approximately \$10 million was spent on new equipment.

The Adopted Budget for FY 2019-20 and FY 2020-21 includes a total of \$674.3 million for capital projects funded by the General Fund, Measure K, bonds, and other funding sources. Some of the major capital projects included in the Adopted Budget are: Animal Care Shelter (\$14 million), Coroner's Facility (\$25 million), County Government Center Parking Structure II (\$40 million), County Office Building 3 (\$150.3 million), Regional Operations Center (\$18 million), San Mateo Medical Center (\$93.5 million), Flood Park Improvements and Renovations (\$15.7 million), Assessor Property Assessment System (APAS) (\$29.8 million), and the Enterprise Electronic Health Record (\$53.4 million).

Meeting the Future

San Mateo County has experienced tremendous growth since the end of the Great Recession with an expanding and diversified local economy that has outperformed most of the state and country. Many of the County's economic indicators have stayed positive and continue to show signs of strength while others appear to be flattening out. Additionally, the affordability of housing remains a concern for the stability of our community and economy.

The County's unemployment rate remained the lowest in California at 1.7% as of September 2019. The continued annual increases to leasing rates for office space is another positive indicator of the local economy. However, the accelerated growth in local home prices has recently paused, which could impact the County's tax revenues if the trend continues. Last year's total passenger volume at the San Francisco International Airport decreased by 0.4%. Given that the airport is a significant economic engine within the County, a decrease or flattening of passenger volume will have a negative impact on the local economy and the County.

Future federal and state policies, and their funding priorities, may also have a negative impact on the County's finances. County revenues subject to uncertainty include funding for healthcare services under the Affordable Care Act and property tax revenues returned from the Educational Revenue Augmentation Fund (ERAF). The County will need to continue to monitor proposed legislation and take actions to minimize potential negative impacts.

The County recognizes that property and other tax revenues available to the General Fund may be reduced in the event of widespread damage to property in the County due to sea-level rise and other climate change-related impacts. To further monitor and mitigate this risk, the San Mateo County Flood Control District whose responsibility was to control floodwater and storm water has been expanded. In September 2019, the State passed AB 825 renaming the district to the San Mateo County Flood and Sea Level Rise Resiliency District. Additionally, this new district was given the responsibility of addressing and protecting against the impacts of sea-level rise. These changes will be effective January 1, 2020.

The County has several major on-going capital projects, including completion of the Regional Operations Center, Cordilleras Health Facility, County Office Building 3, and the San Mateo Health Campus upgrade. These capital projects are needed to replace aging infrastructure but will cost hundreds of millions of taxpayer dollars in construction and on-going operational and maintenance expenditures. The County's outstanding credit rating (AAA and Aaa) allows it to obtain financing for capital projects at relatively low interest rates.

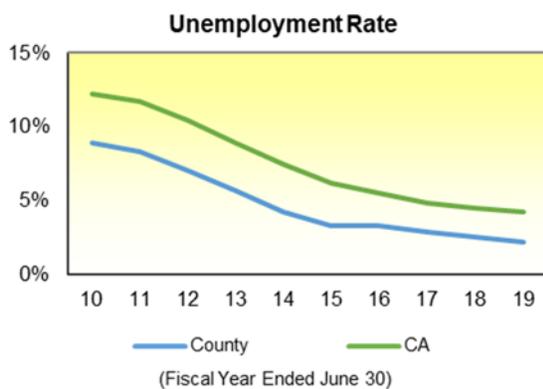
Since the aftermath of the Great Recession of 2008, the County has experienced eight consecutive years of growth but as the pace of growth slows the County must remain mindful of potential future economic shifts. Furthermore, a protracted federal trade war with China will have an impact on California's economy given that China conducts more trade with California than with any other state in the country.

As the County's economy shifts, it is important to recognize that liabilities and over-extending expenditures can limit long-term growth and future financial strength. As such, investments in capital projects will continue to require robust budget planning, and scrutiny over such expenditures, to better prepare the County for the next economic downturn.

Factors Affecting Economy

Employment

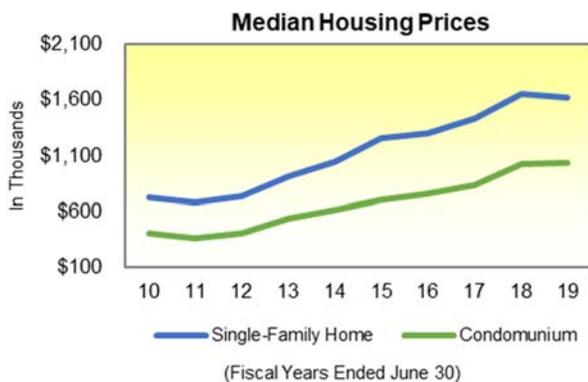
- The County had 9,900 unemployed residents as of June 2019, down from 10,900 in June 2018.
- The County’s unemployment rate was 2.2% for June 2019, down from 2.4% in June 2018, while California’s rate was 4.2% and the U.S.’ rate was 3.7% in June 2019.
- Among California’s 58 counties, once again, as of June 2019, the County recorded the lowest unemployment rate - a frequent occurrence.



Source: Employment Development Dept., California & U.S. Department of Labor

Residential Property

- The County’s median single-family house price dipped 1.9% to \$1,620,000 in June 2019 from \$1,651,000 in June 2018.
- The County’s median condominium price rose 0.9% to \$1,030,000 in June 2019 from \$1,020,500 in June 2018.



Source: San Mateo County Association of Realtors, based on statistics from Multiple Listing Services, Inc.

Commercial Property

- The County’s office vacancy rate in June 2019 was at 6.7%, higher than 6.4% for June 2018, but lower than 6.9% for June 2017.
- The average asking rate to lease office space in the County rose 15.8% to \$5.95 per square foot per month in June 2019 from \$5.14 in June 2018, and from \$5.08 in June 2017.

Tourism

- San Francisco International Airport remains a significant economic engine in the region by providing tens of thousands of jobs. The Airport’s total passenger volume dipped 0.4% to 57.6 million for year ending June 2019, down from 57.8 million for year ending June 2018.



Source: SFO Comparative Traffic Reports

Taxable Sales

- Taxable sales throughout the County grew 10% to \$19.7 billion for year ending June 2019, up from \$17.9 billion for year ending June 2018.

Median Family Income & Per Capita Income

- The County’s estimated median family income increased to \$144,622 for 2018, an 8.0% increase from \$133,877 for 2017.
- The County’s per capita personal income increased to \$113,410 in 2017 (latest data), a 6.4% increase from \$106,615 in 2016.

Major Initiatives



Healthy and Safe Community

Sheriff’s Office

- Improve student and teacher safety in schools via Community Policing Unit’s School Resource Officer Program to prevent and respond to violence and other emergencies.

Health System

- Implement Enterprise Electronic Health Record system to replace multiple stand-alone systems and improve access to information and coordination of services.
- Provide assessment, management, transport, and referrals as appropriate to individuals with behavioral emergencies in pre-hospital settings via Health Assessment and Referral Team.

Human Service Agency

- Assist formerly incarcerated individuals in the community so they can become self-sufficient with stable housing, basic needs, employment, and healthcare.

Probation Department

- Improve the percentage of adult probationers completing probation without new sustained law violation by providing drug recovery treatment, resources, and other services.
- Collaborate with community partners to provide effective supervision to reduce recidivism for medium and high-risk offenders.



Prosperous Community

Department of Housing / Board of Supervisors

- Provide resources to the Affordable Housing Development and Preservation Fund to enable construction/rehabilitation of affordable housing.

Human Services Agency

- Provide services to prevent and address homelessness and improve stability and self-sufficiency of vulnerable populations.
- Improve access to and quality of early childhood education in school districts that are below the goal of 80 percent of students meeting third-grade reading standards via the Big Lift initiative.

- Provide employment opportunities, services, and resources for individuals and families seeking employment or training to move into industries with higher wages via Vocational Rehabilitation Services and other programs.



Livable Community

Parks Department

- Establish volunteer County Parks Stewardship Corps and increase the number of annual volunteer hours to better engage with residents.

Office of Sustainability / Parks Department

- Increase access to County Parks by providing transportation alternatives to residents.

Assessor-County Clerk-Recorder-Elections

- Replace legacy voting system to provide enhanced capabilities to register citizens to vote and to efficiently conduct transparent elections.



Environmentally Conscious Community

Office of Sustainability

- Work towards zero waste through waste diversion and waste-to-energy technologies.
- Implement the Climate Action Plan for government operations and the Energy Efficiency Climate Action Plan for unincorporated areas to reduce greenhouse gas emissions.

Parks Department

- Work collaboratively with public and private landowners to develop a network of connected trails through property acquisitions, easements, and cooperative agreements.
- Continue to protect open spaces through the expansion of the County Parks system.



Collaborative Community

County Manager’s Office / Department of Public Works / Information Services Department

- Continue modernization and maintenance of County’s capital and technology infrastructure.

Awards and Acknowledgements

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the prior fiscal year ended June 30, 2018. This was the nineteenth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2018. The Popular Annual Financial Report (PAFR), also known as the Financial Highlights report, presents information from the CAFR in a more concise and easy-to-read manner.

Acknowledgments

My goal for this report is to provide financial information that is transparent to our residents, taxpayers, policy leaders, and County management. We welcome input from all users of this report.

This report would not have been possible without the dedication of all County fiscal officers and staff. Their daily work helps to ensure the financial stability and integrity of the County. I would like to acknowledge the extra efforts extended for the preparation of this report by the Controller's Office personnel and thank the County's independent auditors Macias Gini & O'Connell LLP.

I would also like to thank the Board of Supervisors, the County Manager's Office, and all County departments, agencies, and employees for their continued efforts in planning and conducting the County's financial operations in a fiscally responsible manner.

Respectfully submitted,



Juan Raigoza
Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of San Mateo
California**

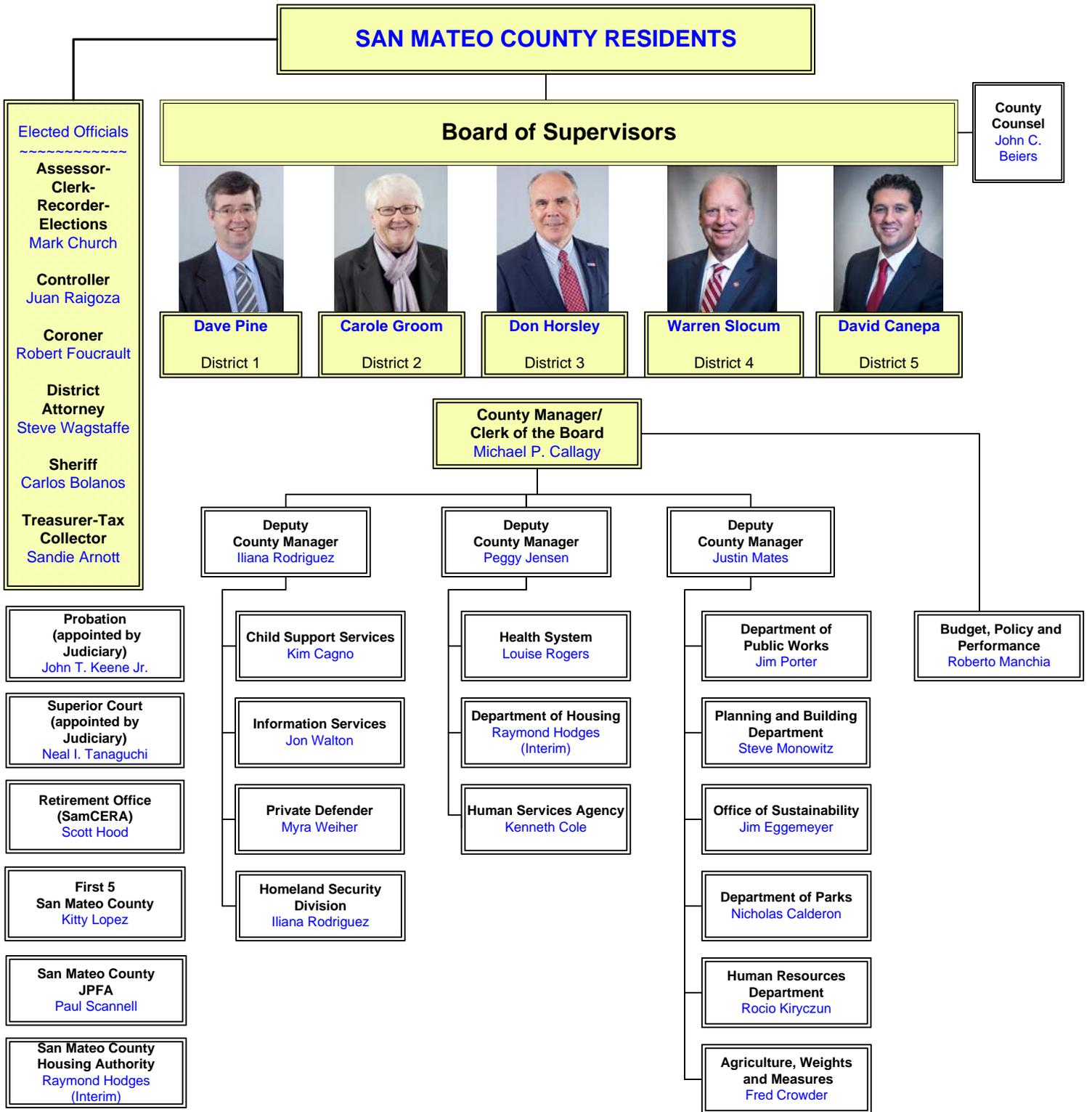
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

COUNTY OF SAN MATEO
Organization Chart
 June 30, 2019



COUNTY OF SAN MATEO
Public Officials

ELECTED OFFICIALS

Board of Supervisors:

Supervisor – District 1	Dave Pine
Supervisor – District 2	Carole Groom
Supervisor – District 3	Don Horsley
Supervisor – District 4	Warren Slocum
Supervisor – District 5	David Canepa

Assessor-Clerk-Recorder-Elections	Mark Church
Controller	Juan Raigoza
Coroner	Robert Foucrault
District Attorney	Steve Wagstaffe
Sheriff	Carlos Bolanos
Treasurer-Tax Collector	Sandie Arnott

APPOINTED OFFICIALS

County Manager/Clerk of the Board – (<i>appointed by Board of Supervisors</i>)	Michael P. Callagy
Deputy County Manager – (<i>appointed by County Manager</i>)	Iliana Rodriguez
Deputy County Manager – (<i>appointed by County Manager</i>)	Peggy Jensen
Deputy County Manager – (<i>appointed by County Manager</i>)	Justin Mates
County Counsel – (<i>appointed by Board of Supervisors</i>)	John C. Beiers
Court Executive Officer and Jury Commissioner – (<i>appointed by Judiciary</i>)	Neal I. Taniguchi
Probation Officer – (<i>appointed by Judiciary</i>)	John T. Keene Jr.

DEPARTMENT DIRECTORS

Agriculture, Weights and Measures	Fred Crowder
Child Support Services	Kim Cagno
Housing	Raymond Hodges (Interim)
Parks	Nicholas Calderon
Public Works	Jim Porter
Health System	Louise Rogers
Human Resources	Rocio Kiryczun
Human Services Agency	Kenneth Cole
Information Services	Jon Walton
Planning and Building	Steve Monowitz
Office of Sustainability	Jim Eggemeyer
Homeland Security Division	Iliana Rodriguez

AFFILIATED ORGANIZATIONS

First 5 San Mateo County, Executive Director	Kitty Lopez
San Mateo County Housing Authority, Director	Raymond Hodges (Interim)
San Mateo County Joint Powers Financing Authority, President	Paul Scannell
San Mateo County Employees' Retirement Association, Chief Executive Officer	Scott Hood



FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**



Independent Auditor’s Report

To the Board of Supervisors of
the County of San Mateo
Redwood City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Mateo, California (County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the County of San Mateo (Housing Authority), the San Mateo County Employees’ Retirement Association (SamCERA), the First 5 San Mateo County (First 5), and the Health Plan of San Mateo (HPSM), which represent the following percentages of the assets and deferred outflows, net positions/fund balances, and revenues/additions of the following opinion units as of and for the year ended June 30, 2019.

<u>Opinion Unit</u>	<u>Assets and Deferred Outflows</u>	<u>Net Positions/ Fund Balances</u>	<u>Revenues/ Additions</u>
Business-type activities	10%	44%	24%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	53%	58%	10%
Aggregate discretely presented component units	100%	100%	100%

Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Housing Authority, SamCERA, First 5, and HPSM, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the HPSM were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.



Walnut Creek, California
November 25, 2019



Management's Discussion and Analysis
(Unaudited)

COUNTY OF SAN MATEO
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

This Management's Discussion and Analysis provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we provided in our transmittal letter in the preceding section. All dollar amounts are expressed in thousands unless otherwise indicated.

Financial Highlights

Government-wide financial position

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2018-19 by \$2.4 billion (*net position*):

- \$617.3 million represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets (*net investment in capital assets*). These capital assets are used to provide services to citizens and are not available for future spending.
- \$324.8 million represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations for programs with external restrictions (*restricted net position*).
- \$1,445.0 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$392.7 million to \$2.4 billion over the year. The positive change in County's net position indicates that the financial position of the County is improving.

- \$379.5 million increase in net position was derived from governmental activities with \$178.6 million increase predominantly from increases in property taxes, interest and investment, charges for services, and operating grants and contributions.
- 13.1 million increase in net position was derived from business-type activities with \$11.3 million increase from the Medical Center, \$0.8 million increase from the Housing Authority, \$0.4 million increase from the Airports, and \$0.2 million increase from Coyote Point Marina.

Fund financial position

The County's governmental funds reported combined fund balances of \$1.7 billion at the close of fiscal year, an increase of \$443 million compared to the prior year. About \$1.1 billion (sum of assigned and unassigned fund balances) of this amount, or 65%, is available for spending at the County's discretion.

Capital assets and debt administration

The County's *capital assets* increased \$62.7 million to \$1,174 million with \$1,091 million for the governmental activities and \$82.8 million for the business-type activities. The increase was mainly from \$71.7 million increase in construction in progress (\$28.7 million for the Regional Operations Center, \$12.7 million for the Health System Center Campus Upgrade, \$11.3 million for the Animal Care Shelter, \$6.7 million for County Office Building 3, \$3.4 million for Crystal Springs Dam Bridge Project, \$3.2 million for Cordilleras Mental Health Facility, \$2.6 million for Parking Structure 2, \$1.8 million for the Skylonda Fire Station Replacement, \$0.7 million for Sanchez Adobe Visitor Center, \$0.4 million for South San Francisco Campus), and a \$2.3 million increase in equipment purchases countywide to meet county wide operating needs.

The County's total outstanding *long-term debt*, (including lease revenue and revenue refunding bonds, notes payable, and other long-term obligations) increased \$194.1 million to \$634.9 million. The increase was mainly caused by the issuance of 2018 Series A Lease Revenue Bonds for \$231.5 million including \$13.9 million in bond premiums, offset

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

by the decrease of \$37.0 million decrease from normal debt payments made on the lease revenue and revenue refunding bonds (\$33.4 million in principal payment, \$2.9 million in bond premiums amortized, and \$0.7 million in accreted interest).

Overview of Financial Statements

This discussion and analysis serves as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. In addition to the basic financial statements, *Required Supplementary Information* is included to provide additional detail to support the basic financial statements.

Government-wide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *statement of net position* presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected taxes).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, and recreation. The business-type activities of the County include programs operated by the San Mateo Medical Center (Medical Center), County-owned Airports, Coyote Point Marina Park and Recreation, and the Housing Authority.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable (known as component units). Some of these entities, although legally separate, function for all practical purposes as departments of the County and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 24-26 of this report.

Fund Financial Statements provide a narrower view of the County's finances. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the County are divided into three categories: (1) Governmental Funds include general, special revenue, debt service, and capital project funds; (2) Proprietary Funds include enterprise and internal service funds; and (3) Fiduciary Funds include investment trust, pension trust, and agency funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of governmental activities, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 20 individual governmental funds. Information for the General Fund and the major fund, San Mateo County Joint Powers Financing Authority (JPFA), is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Other governmental funds (special revenue funds including various special districts governed by the County's governing board, debt service fund, and capital project funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the *combining statements* in this report.

The governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary funds are comprised of two different fund types:

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Medical Center, Airports, Coyote Point Marina Park and Recreation, and Housing Authority of the County of San Mateo (Housing Authority) operations.

Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its workers' compensation insurance, long-term disability insurance, employee benefits, personal injury and property damage insurance, fleet maintenance, and Tower Road construction functions. Because these services predominantly benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as *business-type activities* in the government-wide financial statements, only in more detail. The County's major enterprise funds include the Medical Center and the Housing Authority. The County's six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the nonmajor enterprise and internal service funds is provided in the form of *combining statements* in this report.

The proprietary fund financial statements can be found on pages 31-34 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 35-36 of this report.

The basic financial statements also incorporate *component units* that are legally separate entities for which the County is financially accountable. A component unit can be "blended" or "discretely presented" in the County's financial statements. A blended component unit functions, for all practical purposes, as an integral part of the primary government (the County), whereas a discretely presented component unit does not function as an integral part of the County.

The County's blended component units include JPFA, Housing Authority, In-Home Supportive Services Public Authority, and special districts governed by the County Board of Supervisors (including County service areas, sewer and sanitation, flood control, lighting and other special districts). First 5 San Mateo County (First 5) and Health Plan of San Mateo (HPSM) do not meet the requirements for blending; therefore, are separately reported as discretely presented component units of the County.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

Notes to the Basic Financial Statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 37-98 of this report.

Required Supplementary Information consists of: 1) *infrastructure assets reported using the modified approach* to account for the County's road subsystem; 2) *net pension liability and contributions schedules* for pension benefits; 3) *net OPEB liability and OPEB contributions schedules* for OPEB benefits; and 4) the *County's General Fund budgetary comparison schedule* to demonstrate compliance with the County's adopted budget.

Required supplementary information can be found on pages 99-116 of this report.

Combining and individual fund statements and schedules provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 117-159 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the County's net position may serve over time as a useful indicator of whether the County's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring the County's overall financial position. The County's net position is summarized as follows:

County's Net Position								
(In Thousands)								
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2019	2018	2019	2018	2019	2018	Amount	Percentage
Current and other assets	\$ 2,285,457	\$ 1,826,003	\$ 299,746	\$ 259,633	\$ 2,585,203	\$ 2,085,636	\$ 499,567	24%
Capital assets	1,091,245	1,030,168	82,845	81,213	1,174,090	1,111,381	62,709	6%
Total assets	<u>3,376,702</u>	<u>2,856,171</u>	<u>382,591</u>	<u>340,846</u>	<u>3,759,293</u>	<u>3,197,017</u>	<u>562,276</u>	18%
Deferred outflows of resources	393,503	373,310	67,505	66,810	461,008	440,120	20,888	5%
Long-term liabilities	737,160	540,124	14,715	14,956	751,875	555,080	196,795	35%
Net pension liability	370,488	445,984	90,968	100,243	461,456	546,227	(84,771)	-16%
Net OPEB liability	81,604	71,216	18,460	15,971	100,064	87,187	12,877	15%
Other liabilities	253,481	206,435	217,971	177,995	471,452	384,430	87,022	23%
Total liabilities	<u>1,442,733</u>	<u>1,263,759</u>	<u>342,114</u>	<u>309,165</u>	<u>1,784,847</u>	<u>1,572,924</u>	<u>211,923</u>	13%
Deferred inflows of resources	39,528	57,327	8,758	12,371	48,286	69,698	(21,412)	-31%
Net position:								
Net investment in capital assets	536,734	640,425	80,568	78,508	617,302	718,933	(101,631)	-14%
Restricted	323,023	298,492	1,782	1,383	324,805	299,875	24,930	8%
Unrestricted	1,428,187	969,478	16,874	6,229	1,445,061	975,707	469,354	48%
Total net position	<u>\$ 2,287,944</u>	<u>\$ 1,908,395</u>	<u>\$ 99,224</u>	<u>\$ 86,120</u>	<u>\$ 2,387,168</u>	<u>\$ 1,994,515</u>	<u>\$ 392,653</u>	20%

Analysis of Net Position. The County's net position increased \$392.7 million, or 19.7%, to \$2.4 billion at June 30, 2019.

Governmental Activities increased the County's net position by \$379.5 million, or 20% to \$2.3 billion.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

Total assets increased \$520.5 million, or 18%, to \$3.4 billion. The significant changes in assets occurred in the following areas:

- *Cash and investments* increased by \$394.8 million. This increase was due primarily to the issuance of 2018 Series A Lease Revenue Bond, increase in property tax, operating grants and contributions, charges for services, investments from higher interest rates.
- *Receivables and loan receivable* increased \$16.0 million primarily due to \$17.4 million increase in net mortgage receivable, \$4.7 million increase in accrued mortgage interest and other interest income, offset by a net \$8.4 million decrease in accounts receivable and other receivable, and an increase of \$1.6 million in JPFA interest receivable.
- *Due from other governmental agencies* increased by \$40.5 million primarily due to accrual of \$22.5 million increase in Medi-Cal revenues, \$4.1 million increase from Housing and Development Unit (HUD) grant for Supportive Housing Program and Housing Assistance Program (HAP), \$3.3 million increase from Mental Health Services Act (MHSA) program revenues, and \$2.6 million increase from CalWORKs Housing Program revenues.
- *Capital assets* increased by \$61.1 million. The significant changes occurred in the following areas:
 - \$69.9 million increase in construction in progress (\$28.7 million for the Regional Operations Center, \$12.7 million for the Health System Center Campus Upgrade, \$11.3 million for the Animal Care Shelter, \$6.7 million for County Office Building #3, \$3.4 million for Crystal Springs Dam Bridge Project, \$3.2 million for Cordilleras Mental Health Facility, \$2.6 million for Parking Structure 2, \$0.7 million for Sanchez Adobe Visitor Center, and \$0.4 million for South San Francisco Campus)
 - \$2.3 million net increase in equipment purchases to meet county wide operating needs and depreciation.
 - \$9.2 million net decrease in structure and improvements from current year's depreciation expense and transfer of completed projects.
 - \$2.6 million net decrease in software from current year's depreciation expense.

Total liabilities increased \$179.0 million, or 14% to \$1.4 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* decreased \$75.5 million or 17% to \$370.0 million. This decrease is a reflection of progressive contributions as actuarially determined to provide pension benefits for both active and retired members.
- *Net OPEB liability* increased \$10.0 million or 15% to \$81.6 million. This increase is a reflection of actuarially determined amount required to provide retiree health care benefits to the retired members.
- *Long-term liabilities* increased by \$197 million. The increase was primarily due to issuance of 2018 Series A Lease Revenue Bonds for \$231.5 million, offset by \$37 million decrease from normal debt payments made on the lease revenue and revenue refunding bonds, \$1.7 million increase in compensated absences, and \$0.5 million increase in estimated claims.
- *Other liabilities* increased \$47 million or 23% to \$253.5 million. The increase was mainly due to \$22.9 million in accounts payable, interest payable, accrued salaries and benefits, and \$24.1 million in due to other governmental agencies and unearned revenues.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
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Business-type Activities increased the County's net position by \$13 million, or 15% to \$99 million.

Total assets increased \$41.7 million, or 12%, to \$382.6 million. The increase was primarily caused by the following:

- The *Medical Center's total assets* increased \$40.5 million. The significant changes are discussed below:
 - \$46.9 million decrease in cash and cash equivalents due to delays in payments resulting from changes in several Federal match programs.
 - \$9.2 million increase in net patient accounts receivable, prepayments, inventory, and other receivables. This is due to timing of various cash collections and inventory acquisitions.
 - \$76.9 million increase in due from other governmental agencies is because of the changes in the Medicaid Managed Care Rule that led to new programs such as Enhanced Payment Program (EPP) and Qualified Incentive Program (QIP) being approved late in each fiscal year and resulted in payment delays.
 - \$1.3 million increase in capital assets net of accumulated depreciation due to the acquisition of new equipment netted with current year's depreciation and amortization expense.
- The *Housing Authority's total assets* increased \$0.6 million primarily due to increase in loans receivable for housing development.

Total liabilities increased \$32.9 million, or 11%, to \$342 million. The increase was primarily due to the following:

- The *Medical Center's total liabilities* increased \$33.4 million. The significant changes are discussed below:
 - Recognition of a decrease in the net pension liability as of June 30, 2019, amounting to \$9.2 million as a result of changes in proportionate share of pension related assumptions and differences in projected and actual earnings on investments between FY 2018 and FY 2019.
 - Increase of \$6.8 million in accounts payable, other liabilities, and accrued salaries and benefits is mainly due to the timing of payment to vendors, employees and contractors.
 - Increase of \$2.3 million in net OPEB liabilities is primarily due to demographic assumption changes, claims and premium rate experience, and demographic experience.
 - Increase of \$33.5 million in due to other governmental agencies resulting from Intergovernmental Transfer (IGT) payment accruals.
- *Airports and Coyote Point Marina's total liabilities* decreased \$0.4 million due to payments made on the notes payable and decrease in net pension liability.

The Medical Center's net position increased \$11.3 million, or 325%, to \$14.7 million. See explanations on page 13.

The Housing Authority's net position increased \$0.8 million, or 2%, to \$44 million. See explanations on page 14.

Airports and Coyote Point Marina's net position increased \$0.4 million and \$0.2 million, respectively.

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The County's total net position increased by \$392.7 million, or 20%, to \$2.4 billion as of June 30, 2019. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

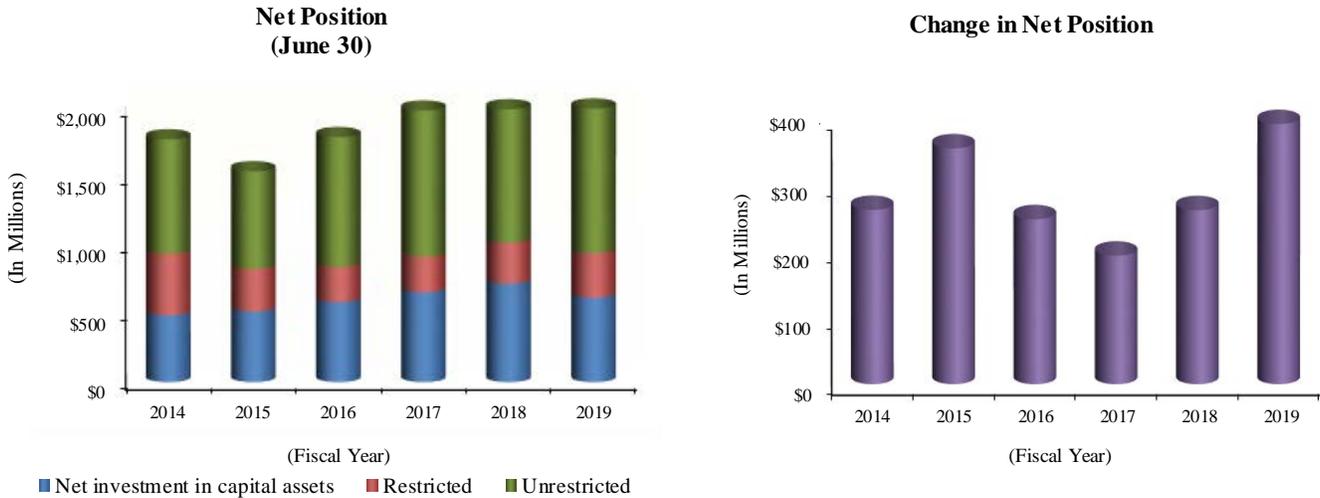
- 26%, or \$617.3 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These assets, therefore, are *not* available for future spending. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- 14%, or \$324.8 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.
- 60%, or \$1,445.0 million, of the County's net position represents resources that may be used to meet the County's ongoing obligations to citizens and creditors and therefore *unrestricted*.

Change in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2019	2018	2019	2018	2019	2018	Amount	Percentage
Revenues:								
Program revenues:								
Charges for services	\$ 195,377	\$ 175,206	\$ 392,226	\$ 373,594	\$ 587,603	\$ 548,800	\$ 38,803	7%
Operating grants and contributions	594,396	566,848	71	1,095	594,467	567,943	26,524	5%
Capital grants and contributions	-	-	5,007	4,919	5,007	4,919	88	2%
Total program revenues	<u>789,773</u>	<u>742,054</u>	<u>397,304</u>	<u>379,608</u>	<u>1,187,077</u>	<u>1,121,662</u>	<u>65,415</u>	<u>6%</u>
General revenues:								
Property taxes	649,342	565,264	-	-	649,342	565,264	84,078	15%
Other taxes	153,101	140,275	-	-	153,101	140,275	12,826	9%
Unrestricted interest and investment earnings	58,417	24,828	2,448	156	60,865	24,984	35,881	144%
Miscellaneous	45,228	44,792	2,649	1,271	47,877	46,063	1,814	4%
Total general revenues	<u>906,088</u>	<u>775,159</u>	<u>5,097</u>	<u>1,427</u>	<u>911,185</u>	<u>776,586</u>	<u>134,599</u>	<u>17%</u>
Total revenues	<u>1,695,861</u>	<u>1,517,213</u>	<u>402,401</u>	<u>381,035</u>	<u>2,098,262</u>	<u>1,898,248</u>	<u>200,014</u>	<u>11%</u>
Expenses:								
Program expenses:								
General government	149,837	156,598	-	-	149,837	156,598	(6,761)	-4%
Public protection	423,996	409,330	-	-	423,996	409,330	14,666	4%
Public ways and facilities	23,731	24,375	-	-	23,731	24,375	(644)	-3%
Health and sanitation	376,472	350,672	-	-	376,472	350,672	25,800	7%
Public assistance	255,556	250,393	-	-	255,556	250,393	5,163	2%
Recreation	16,839	16,252	-	-	16,839	16,252	587	4%
Interest on long-term liabilities	22,098	17,691	-	-	22,098	17,691	4,407	25%
San Mateo Medical Center	-	-	335,511	314,258	335,511	314,258	21,253	7%
Airports	-	-	4,737	4,533	4,737	4,533	204	5%
Coyote Point Marina	-	-	1,306	2,261	1,306	2,261	(955)	-42%
Housing Authority	-	-	95,526	89,191	95,526	89,191	6,335	7%
Total expenses	<u>1,268,529</u>	<u>1,225,311</u>	<u>437,080</u>	<u>410,243</u>	<u>1,705,609</u>	<u>1,635,554</u>	<u>70,055</u>	<u>4%</u>
Excess (deficiency) before special item and transfers	427,332	291,902	(34,679)	(29,208)	392,653	262,694	129,959	49%
Transfers	(47,783)	(50,915)	47,783	50,915	-	-	-	-
Change in net position	<u>379,549</u>	<u>240,987</u>	<u>13,104</u>	<u>21,707</u>	<u>392,653</u>	<u>262,694</u>	<u>129,959</u>	<u>49%</u>
Net position - beginning, as previously stated	1,908,395	1,872,938	86,120	111,949	1,994,515	1,984,887	9,628	1%
Cumulative effect of accounting change and prior period adjustment	-	(205,530)	-	(47,536)	-	(253,066)	253,066	-100%
Net position - beginning, as restated	<u>1,908,395</u>	<u>1,667,408</u>	<u>86,120</u>	<u>64,413</u>	<u>1,994,515</u>	<u>1,731,821</u>	<u>262,694</u>	<u>15%</u>
Net position - ending	<u>\$ 2,287,944</u>	<u>\$ 1,908,395</u>	<u>\$ 99,224</u>	<u>\$ 86,120</u>	<u>\$ 2,387,168</u>	<u>\$ 1,994,515</u>	<u>\$ 392,653</u>	<u>20%</u>

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The County is able to report positive balances in all reported categories of net position, both for the County as a whole, and for its separate governmental and business-type activities. The same held true for the prior fiscal year. The charts below provide a snapshot of County’s net position and change in net position for the past five fiscal years:



The reasons for the overall increase in net position are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. Governmental activities increased the County’s net position by \$379.5 million to \$2.3 billion for the fiscal year ended June 30, 2019. This was predominantly from increases in property taxes, interest and investment.

Analysis of Governmental Activities - Revenues

Program Revenues accounted for 46.6% of the County’s overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues increased \$47.7 million, or 6%, from the prior year. The significant changes included the following:

- *Charges for services* increased \$20.2 million, or 12%, to \$195 million due primarily to the increase in revenue from Medi-Cal Federal Financial Participation (FFP) and increases in insurance premium charges.
- *Operating grants and contributions* increased \$27.5 million, or 5%, to \$594.4 million. The increase was primarily due to the following:
 - \$9 million increase in Road Maintenance and Rehabilitation Account (RMRA) funding from “Gas Tax”, and Senate Bill (SB1) Road Repair Accountability Act of 2017.
 - \$5.4 million increase from receipt of Medi-Cal settlement payments.
 - \$4.5 million received from Thomas and Stacey Siebel foundation for the construction of the new firearm's training facility at Coyote Point.
 - \$3.4 million increase from insurance recoveries for settled litigations and reimbursement of litigation costs.
 - \$2.6 million increase from increased CalWORKS revenue.
 - \$1.6 million increase from Property Tax Admin fee and the Supplemental Tax Admin fee from increase in new construction.

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- \$1 million increase from federal funding for affordable housing projects – Arroyo Green Apartments, Rotary Miller Ave Senior Housing, and Bay Meadows Affordable Housing.

General Revenues increased \$130.9 million, or 17%, from the prior year. General revenues accounted for 53.4% of the County's overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* increased \$84 million, or 15%, to \$649.3 million. The significant changes included the following:
 - \$22 million or 8% increase in secured tax which is consistent with the increase to the countywide local secured assessment roll.
 - \$45 million additional Excess ERAF due to an increase in property taxes deposited into the ERAF, an increase in school property taxes that outpaced the increase to their State guaranteed funding level, and one-time moneys distributed due to the County's revised distribution schedule. This resulted in an additional \$60.4 million in countywide Excess ERAF of which the County and its dependent Districts have approximately a 74.2% share of the amount.
 - \$7 million increase in pass through payments due to \$2 million from the Menlo Park RDA caused by the removal of the cap beginning in FY 18-19, and \$5 million from increases caused by the 16.8% growth in RDA revenue.
 - \$9 million increase to the in-lieu of vehicle license fee (VLF) revenue due to \$8.5 million increase over prior year, which is consistent with the increase to the countywide local combined assessment roll, \$0.4 million one-time adjustment to correct prior year distributions, and \$0.2 million on-going adjustment to correct the current year and subsequent distributions.
- *Other Tax Revenues* increased \$12.8 million, or 9%, to \$153 million primarily due to \$7.9 million increase in Measure K sales tax revenue, and \$4.9 million increase in Public Safety (Prop. 172) half-cent sales tax.
- *Unrestricted Interest and Investment Earnings* increased \$33.6 million, or 135%, primarily due to increased interest rates on earnings on investments.

Analysis of Governmental Activities – Expenses

Expenses for *General Government* decreased by \$6.8 million, or 4%. This decrease was due to \$6.3 million decrease in costs associated with the Property Tax System implementation that went live in FY17-18.

Expenses for *Public protection* increased by \$14.7 million, or 4%. The increase was due to \$8 million paid to Vance Brown Incorporated for the construction of the new Siebel Firearm's Training Facility at Coyote Point, and \$6.7 million increase to the contract with San Mateo County Bar Association for the Private Defender Program.

Expenses for *Public ways and facilities* remained relatively the same in the current year.

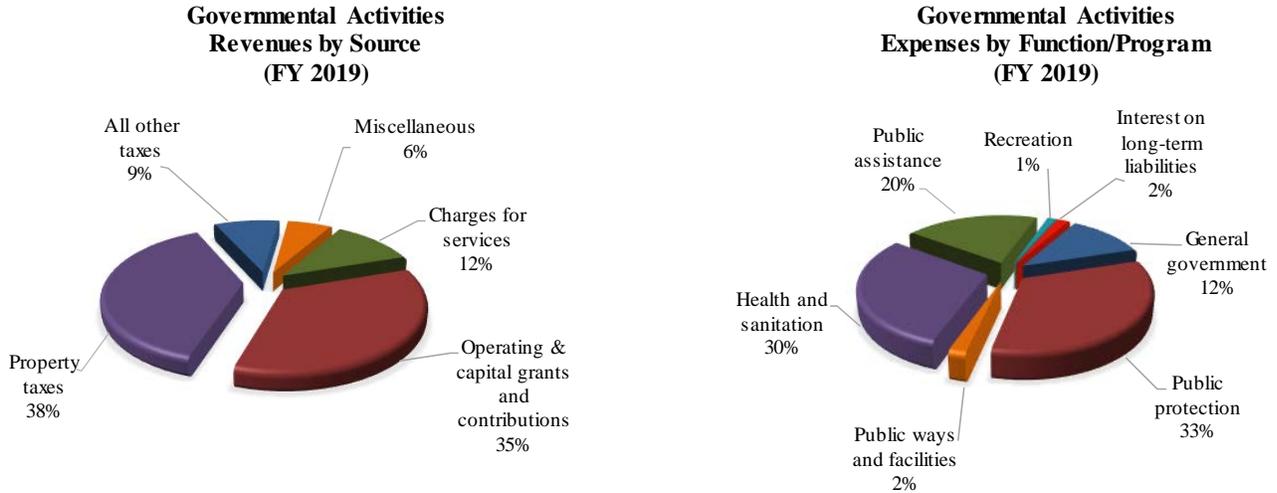
Expenses for *Health and sanitation* increased by \$25.8 million, or 7%. The increase was due to \$7 million increase in expenditures associated with the "Whole Person Care" program, \$4.6 million increase from the Mental Health Services Act (MHSA) supported programs, \$3.7 million increase from tobacco education expenditures, \$2.6 million increase from Silicon Valley Clean Water (SVCM) Capital Improvement project, \$2.2 million increase in acute inpatient psychiatric services provided in Maguire Correctional Facility, \$1.7 million increase from Targeted Case Management (TCM) program, \$1.2 million increase from refuse collection and recycling services fees, and \$1.2 million increase from increases in salaries and benefits of Correctional Services employees.

Expenses for *Public assistance* increased by \$5.2 million, or 2%. The increase is primarily due to \$6.4 million increase from In-Home Supportive Services Maintenance of Effort (IHSS MOE) expenses. This was offset by \$1.3 million decrease in adoption assistance aid costs.

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Expenses for *Recreation* remained relatively the same in the current year.

For the fiscal year ended June 30, 2019, revenues and expenses for governmental activities are as follows:



Transfers out to business-type activities were relatively the same in the current year.

Business-type Activities. The net position for business-type activities increased \$13 million to \$99.2 million. This was mainly from \$11.3 million increase from the Medical Center, \$0.8 million increase from the Housing Authority, \$0.4 million increase from the Airports, \$0.2 million increase from Coyote Point.

Analysis of Business-type Activities – Revenues and Expenses

Medical Center. The net position of Medical Center increased \$11.3 million, or 325%, to \$14.7 million.

The Medical Center’s net operating loss decreased \$0.9 million, or 2%, to \$42.8 million. The significant changes included the following:

- \$19.2 million increase in net patient service revenue due to increase in cash collections and per diem rates.
- \$6.5 million decrease in premium revenues due primarily to the legislation changes in the Federal Medicaid Managed Care Rules.
- \$8.8 million increase from Medi-Cal Waivers, AB85 realignment, and Medi-Cal Managed Care replacement program.
- \$7.3 million increase in employee salaries and benefits resulting from an increase in cost of salaries and benefits due to renegotiations of union agreements and cost of living increase.
- \$0.5 million increase in pension and OPEB expenses due to the results of actuarial analysis performed under the provisions of GASB Statement Nos. 68 and 75.
- \$4.7 million increase in contract provider services due to higher claims for patients enrolled in the County’s health coverage program and additional contracts with physicians.
- \$3.3 million increase in other fees and purchased services due to the expenses related to the Medi-Cal 2020 Waiver’s Whole Person Care program. These are offset by revenues received and posted in this program.
- \$5.9 million increase in other general expenses due to Intergovernmental Transfer (IGT) funding for Medi-Cal 2020 Waiver’s Whole Person Care program.

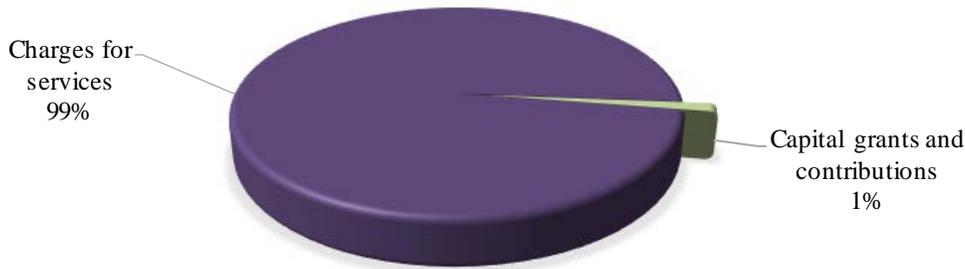
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- \$0.7 million decrease in depreciation due primarily to the majority of the Medical Center’s software becoming fully depreciated since the prior year.

Housing Authority. The net position of the Housing Authority increased \$0.8 million, or 2%, to \$44 million. The increase was primarily due to increase in San Mateo County Housing Authority, Inc (SAMCHAI) and Local fund.

Program revenues for business-type activities are distributed as follows:

**Program Revenues by Source
 Business-type Activities
 (FY 2019)**



FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

Governmental funds. As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the County’s financing requirements. In particular, assigned and unassigned fund balance at the end of the fiscal year may serve as a useful measure of the County’s net resources available for spending.

As of June 30, 2019, the County’s governmental funds reported combined fund balances of \$1.7 billion at year-end, an increase of \$443 million, or 34%, compared to the prior fiscal year. Approximately 65% of the combined amount, or \$1.1 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$608 million is nonspendable and restricted, including \$52 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$556 million restricted for specific purposes.

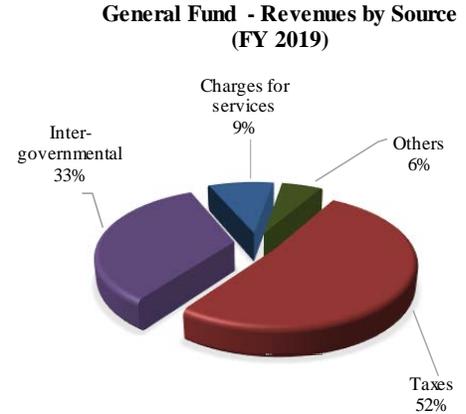
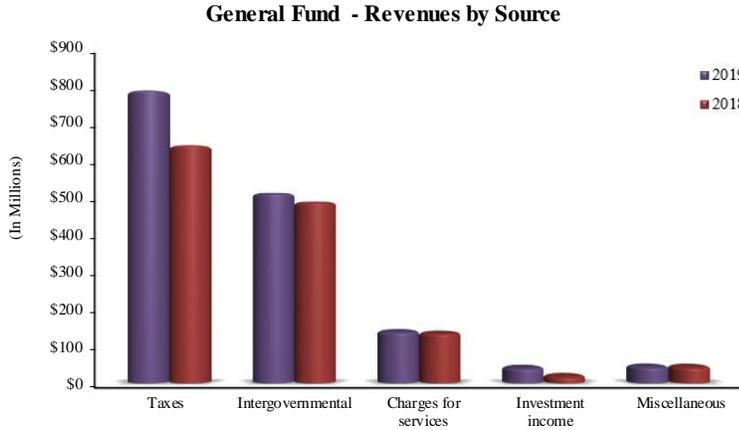
The *General Fund* is the primary operating fund of the County. At June 30, 2019, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$1 billion with total fund balance at \$1.2 billion. As a measure of liquidity, total unrestricted fund balance as well as total fund balance can be compared to total fund expenditures. Total unrestricted fund balance represents 87% of total fund expenditures, and total fund balance represents 104% of total fund expenditures. The overall fund balance in the General Fund has increased \$211.7 million during the current fiscal year.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
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For the fiscal years ended June 30, 2019 and 2018, revenues for the General Fund are distributed as follows:

General Fund - Revenues by Source
(In Thousands)

Revenues by Source	FY 2019		FY 2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 811,317	52%	\$ 659,234	48%	\$ 152,083	23%
Licenses and permits	7,642	0%	7,701	1%	(59)	-1%
Intergovernmental	526,987	33%	502,706	37%	24,281	5%
Charges for services	143,319	9%	138,881	10%	4,438	3%
Fines, forfeitures, and penalties	9,620	1%	8,069	1%	1,551	19%
Rents and concessions	1,445	0%	1,544	0%	(99)	-6%
Investment income	42,591	3%	19,315	1%	23,276	121%
Other	27,191	2%	28,074	2%	(883)	-3%
Total	\$1,570,112	100%	\$1,365,524	100%	\$ 204,588	15%



General Fund Revenues. Significant changes in revenues are as follows:

Taxes increased by \$152 million, or 23%. See explanations on page 12.

Intergovernmental revenue increased by \$24 million or 5%. See explanations on page 11.

Charges for services increased by \$4 million, or 3%. The increase was primarily from increase in revenue from Medi-Cal Federal Financial Participation (FFP).

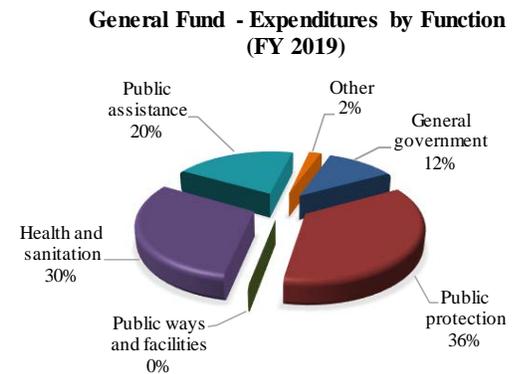
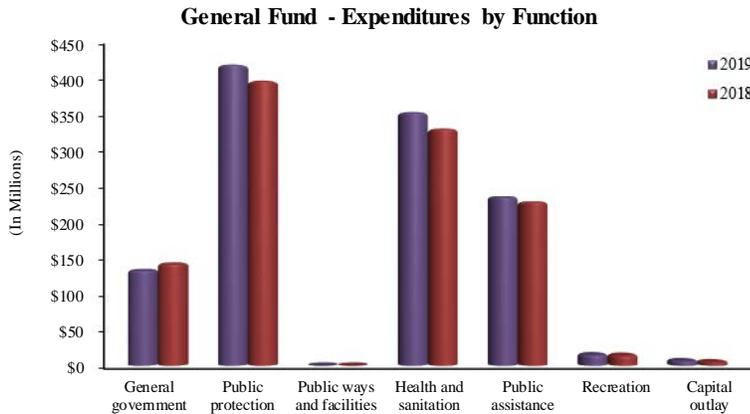
Investment income increased by \$23 million, or 121%, due primarily to increase in interest rates in investment earnings and higher fair market valuation comparing to prior year.

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Management’s Discussion and Analysis (Continued)
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For the fiscal years ended June 30, 2019 and 2018, expenditures for the General Fund are distributed as follows:

General Fund - Expenditures by Function
 (In Thousands)

Expenditures by Function	FY 2019		FY 2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 135,555	12%	\$ 144,842	13%	\$ (9,287)	-6%
Public protection	426,428	36%	403,609	35%	22,819	6%
Public ways and facilities	-	0%	13	0%	(13)	0%
Health and sanitation	359,136	30%	335,690	30%	23,446	7%
Public assistance	239,666	20%	232,213	20%	7,453	3%
Recreation	16,100	1%	15,314	1%	786	5%
Capital outlay	7,455	1%	5,763	1%	1,692	29%
Total	\$1,184,340	100%	\$1,137,444	100%	\$ 46,896	4%



General Fund Expenditures. Significant changes in expenditures are as follows:

Expenditures for *General Government* decreased by \$9 million, or 6%. See explanations on page 12.

Expenditures for *Public Protection* increased by \$22.8 million, or 6%. See explanations on page 12.

Expenditures for *Health and Sanitation* increased by \$23 million, or 7%. See explanations on page 12.

Expenditures for *Public Assistance* increased by \$7.5 million, or 3%. See explanations on page 12.

Capital Outlay increased by \$1.7 million, or 29%. The increase was primarily due to the \$0.7 million expenditure incurred for the construction of the Adobe Sanchez Visitor Center, \$0.5 million for development of Computer Aided Dispatch application software for the Public Safety Commission, and \$0.5 million for development of Business Intelligence and Data Analytics Infrastructure for Human Services Agency.

Joint Powers Financing Authority is a major governmental fund. During FY 2018-19, JPFA’s fund balance increased \$214.7 million to \$241 million. The increase is primarily due to the issuance of 2018 Series A Lease Revenue Bonds for \$231.5 million including \$13.9 million bond premium from direct financing leases, offset by \$37 million decrease from scheduled principal and including premium interest payments of long-term debt.

Nonmajor governmental funds experienced a \$16.7 million increase in fund balance as a whole. The significant changes occurred in the following areas:

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Special Revenue Fund. The overall fund balance for special revenue funds increased \$15.2 million to \$134.7 million. The significant changes occurred in the following funds:

- The Road Fund reported a \$4.4 million increase in fund balance primarily due to \$9 increase in Road Maintenance and Rehabilitation Account (RMRA) funding from "Gas Tax", and Senate Bill (SB1) Road Repair Accountability Act of 2017.
- The Flood Control Zone reported a \$3.1 million increase in fund balance primarily due to increases in property tax distribution to Districts.
- The Sewer and Sanitation Fund reported a \$2.2 million increase in fund balance primarily due to \$2 million increase in sewer service charges.
- The Lighting Districts reported a \$1.9 million increase in fund balance primarily due to increases in property tax distribution to Districts.
- The County Half-Cent Transportation Fund reported a \$1.4 million increase in fund balance primarily due to increases in property tax distribution to Districts.

Debt Service Fund. The overall fund balance for debt service funds increased \$1.4 million to \$30 million. This increase is mainly due to the transfer in from various funds to pay for debt service.

Proprietary funds. The County's proprietary funds provide the same type of information that can be found in the government-wide financial statements, but in more detail.

Enterprise Funds. The overall net position of enterprise funds increased \$12.7 million, with increased of \$12.1 million from major enterprise funds (\$11.3 million increase from Medical Center, and \$0.8 million increase from Housing Authority) and the remaining from non-major enterprise funds (Airports and Coyote Point Marina). Discussion on major enterprise funds can be found in the business-type activities section on page 13.

Airports Fund's net position stayed the same as last year. Overall, the Fund operated at nearly break-even.

Coyote Point Marina Fund's net position stayed the same as last year. Overall, the Fund operated at nearly break-even.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's final budget exceeded the original budget by \$12.3 million, or 0.6%, for the fiscal year ended June 30, 2019. Supplemental appropriations were sponsored through unanticipated revenues. In most cases, unanticipated revenues were appropriated within budget units receiving the revenues in the same accounting period.

During FY 2018-19, the General Fund realized a total of \$12.3 million unanticipated revenues primarily from the following:

- \$4.5 million donations from Thomas and Stacey Siebel Foundation and/or John Arrillaga to make improvements to the outdoor rifle range facility.
- \$3.2 million from Measure K (half-cent sales tax) for the Big Lift program which is aimed at improving reading scores and future academic success of children from families with low incomes or other hardships.
- \$2.5 million from Measure K (half-cent sales tax) for installation of equipment, professional services, and product training for a Data Center for the County of San Mateo Regional Operations Center (ROC) Project.
- \$0.6 million from state unclaimed gas tax subvention to increase appropriations in various expenditure accounts.
- \$1.5 million from other sources for various purposes.

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Actual General Fund revenues were above budgeted by \$52 million, or 3.6%. Revenues from intergovernmental agencies were below anticipated projections by \$32.1 million, while other financing sources were \$0.9 million above. Actual tax revenues were higher than the total budgeted by \$154.6 million due primarily to higher than expected income from sales and use taxes (Measure K), property tax in-lieu of sales taxes, property transfer taxes, and vehicle rental business license tax. The overall revenue from the remaining sources was \$71 million lower than expected.

Actual General Fund expenditures were below budgeted by \$542 million, or 27%. The unspent appropriations can be found in the following areas:

- \$282.9 million unspent appropriations in contingencies resulted from cognizant long-term financial planning.
- \$25.4 million unspent appropriations in other financing uses due primarily to capital projects funded by Non-Departmental Services and Measure K either not yet started or completed including the Regional Operations Center, San Mateo Medical Center, Parking Structure 2, and the Animal Shelter.
- \$89.2 million unspent appropriations in services and supplies due primarily to one time and ongoing Facility projects including Daily City 92nd street offices, county wide Measure K Parks projects, department specific information technology (IT) projects such as Countywide Assessors Property Tax system.
- \$109.5 million unspent appropriations in salaries and benefits due primarily to unfilled positions throughout many county departments and the recording of \$50.7 million in additional pension contributions as a “special item” rather than a benefit.
- \$52 million unspent appropriations in other charges due primarily to unspent Measure K dollars for Housing project contributions and district specific contracts, and lower than anticipated assistance payments.
- \$30.8 million unspent appropriations in capital assets due project delays for IT purchases not yet made, including the Measure K funded replacement of fire apparatus and safety equipment.

The overall unspent appropriation discussed above was offset by unrealized *intrafund transfers* (reimbursements from General Fund departments) of \$48 million.

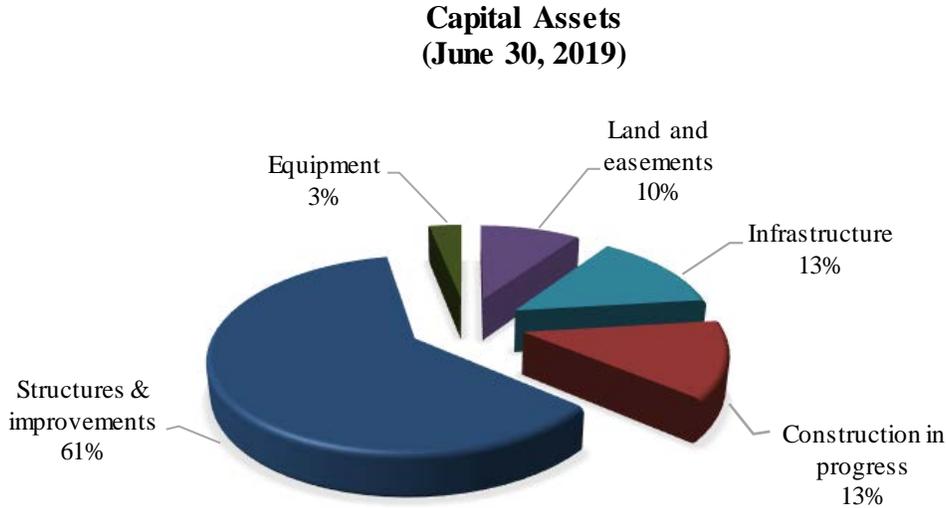
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County’s investment in capital assets increased \$62.7 million, or 6%, to \$1,174 million (net of accumulated depreciation). The investment includes land, easements, infrastructure, construction in progress, structures and improvement, equipment, and software. The County’s capital assets as of June 30, 2019 and 2018, are comprised of the following:

	Capital Assets							
	Net of Accumulated Depreciation							
	(In Thousands)							
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2019	2018	2019	2018	2019	2018	Amount	Percentage
Land and easements	\$ 97,595	\$ 97,595	\$ 14,247	\$ 14,247	\$ 111,842	\$ 111,842	\$ -	0%
Infrastructure	158,074	157,351	-	-	158,074	157,351	723	0%
Construction in progress	145,156	75,242	6,794	4,984	151,950	80,226	71,724	89%
Structures and improvements	663,230	672,453	48,153	48,698	711,383	721,151	(9,768)	-1%
Equipment	24,185	21,970	12,342	12,206	36,527	34,176	2,351	7%
Software	3,005	5,557	1,309	1,078	4,314	6,635	(2,321)	-35%
Total	\$ 1,091,245	\$ 1,030,168	\$ 82,845	\$ 81,213	\$ 1,174,090	\$ 1,111,381	\$ 62,709	6%

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
 Required Supplementary Information (Unaudited)
 For the Fiscal Year Ended June 30, 2019

The County’s capital assets are comprised of and distributed as follows:



Additional information on the County’s capital assets can be found in Note 8 on pages 65-67 of this report.

Infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34. The County reports its maintained pavement subsystem of the road network totaling \$95 million using the modified approach. The County manages its maintained pavement subsystem of the road network using the Metropolitan Transportation Commission’s Pavement Management Program (Program). This Program establishes a Pavement Condition Index (PCI) on a scale of zero to one hundred (0 – 100) for each road segment. Roads with a PCI of 40 or higher are considered in “Fair” or better condition, and roads with a PCI of 55 or higher in “Good” or better condition. The County policy requires that at least 75 percent of its primary maintained road subsystem (roads with structural sections) be maintained at a PCI of 55 or higher, and at least 65 percent of its secondary maintained pavement subsystem (roads without structural sections) at a PCI of 40 or higher.

A complete condition assessment on the County’s maintained pavement subsystem is performed at least every three years. From the latest complete condition assessment in FY 2018-19, the County’s maintained pavement subsystem was rated at a PCI of 76 based on a weighted average by area for the primary roads and 66 for the secondary roads.

PCI Condition Rating	2019	2019	2018	2018	2016	2016
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Primary:						
Good to excellent (55-100)	146.10	93.2%	146.96	93.7%	136.07	86.8%
Substandard to fair (0-54)	10.58	6.8%	9.91	6.3%	20.66	13.2%
Total	156.68	100.0%	156.87	100.0%	156.73	100.0%
Secondary:						
Fair to excellent (40-100)	140.57	88.1%	139.01	87.2%	130.07	81.6%
Substandard (0-39)	18.97	11.9%	20.36	12.8%	29.30	18.4%
Total	159.54	100.0%	159.37	100.0%	159.37	100.0%

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

Major events related to capital assets included the following:

- *Serenity House Project.* In 2016, the Board of Supervisors adopted plans to convert a house owned by the County into a respite center for individuals with mental health issues. On October 29, 2018, the Serenity House Project was completed. The total cost of this project from inception to June 30, 2019 was \$3.2 million. Of this amount, \$0.4 million was incurred during FY 2018-19.
- *Construction in Progress projects:*
 - *Regional Operations Center.* The new 37,000 square foot, two-story building at the County Center campus will house Emergency Operations Center, and the office of Emergency Services. The project is anticipated for final completion by the end of November 2019. The total cost incurred during FY 2018-19 is \$28.7 million.
 - *San Mateo County Health Campus Upgrade.* This project will occur in multiple phases. (1) Demolition of the Health Services Building and the old portion of the hospital also known as Health Administration Building; (2) renovation of the ground floor of the Nursing Wing and the Central Plant to accommodate essential OSHPD functions currently housed in the Health Administration Building; and (3) construction of a new 70,000 SF Administration Building to house hospital support functions. The total cost incurred during FY 2018-19 is \$1.3 million.
 - *Skylonda Fire Station.* This project will replace the existing barracks and offices at Station 58 and adds a community room in a new 6,000 square foot facility. The total cost incurred during FY 2018-19 is \$1.4 million.
 - *Animal Care Shelter.* Construction of a new Animal Shelter will include added square footage, mechanical enhancements necessary to ensure proper and humane animal care. The total cost incurred during FY 2018-19 is \$11.3 million.
 - *County Office Building 3.* County Office Building 3 (COB3) will be an elevated structure, contain four levels of offices and shared amenities. The ground level will consist of outdoor public space with a multi-function board chambers for public meetings and events. The total cost incurred during FY 2018-19 is \$0.6 million.
 - *Parking Structure 2.* The new Parking Structure 2 (PS2) is to be located at the former jury parking lot, will add 1,022 additional parking stalls over 7 levels. Consistent with the County Municipal Green Building Policy, PS2 will be designed to operate at zero net energy (ZNE). The total cost incurred during FY 2018-19 is \$2.6 million.
 - *Cordilleras Mental Health Facility.* The Cordilleras Mental Health Facility will include 117-bed psychiatric facility serving mentally ill residents. The total cost incurred during FY 2018-19 is \$3.2 million.
 - *Sanchez Adobe.* The visitor's center will be designed to educate visitors and students about the colorful history of the location through interactive events such as brick making and corn grinding demonstration. The total cost incurred during FY 2018-19 is \$0.7 million.

Major capital project commitments include the following:

- *Skylonda Fire Station.* This project will replace the existing barracks and offices at Station 58 and adds a community room in a new 6,000 square foot facility. The project underwent a series of framing modifications which are mostly complete. The project is at substantial completion and total project cost is estimated to be \$9.9 million with anticipated completion by December 2019.
- *Regional Operations Center.* Regional Operations Center (ROC) is the new 37,000 square foot, two-story building located on the County Center campus. The ROC will serve as a hub for public safety responders during major

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

catastrophic events. It is constructed to withstand violent shaking from an earthquake with redundant electrical, water and other systems. The building will achieve Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council. The project is at substantial completion and total project cost is estimated to be \$64.5 million with anticipated completion by November 2019.

- *Sanchez Adobe.* The Sanchez Adobe visitor center will enhance the educational experience while visitors explore the Mission Dolores Outpost from the late 1700's and the Don Francisco Sanchez adobe residence built in 1842. The visitor's center will be designed to educate visitors and students about the colorful history of the location through interactive events such as brick making and corn grinding demonstration. The project estimated to be \$2.0 million with anticipated completion by November 2019.
- *Animal Shelter.* Construction of a new Animal Shelter will include added square footage, mechanical enhancements necessary to ensure proper and humane animal care. An upgraded Heating Ventilation Air Conditioning (HVAC) unit and a Photovoltaic System to meet a required air exchange for the animals and to meet the County Municipal Green Building Policy. The project estimated to be \$26.6 million with anticipated completion by mid-2020.
- *Parking Structure 2.* The new Parking Structure 2 (PS2) is to be located at the former jury parking lot, will add 1,022 additional parking stalls over 7 levels. PS2 will support the demand for parking on the County Center campus. Consistent with the County Municipal Green Building Policy, PS2 will be designed to operate at zero net energy (ZNE). The project estimated to be \$47.2 million with anticipated completion by the end of 2020.
- *County Office Building 3.* County Office Building 3 (COB3) will be an elevated structure, contain four levels of offices and shared amenities. The ground level will consist of outdoor public space with a multi-function board chambers for public meetings and events. This property will house the Board of Supervisors Chambers, offices for the Board and County Manager as well as staff for various departments of the County. Consistent with the County Municipal Green Building Policy, COB3 will be designed to operate at ZNE to achieve certification in LEED. The project has begun in August 2019 with targeted substantial completion at the end of 2020. The estimated project costs are \$152 million, of which \$96 million was funded by the 2018 Lease Revenue Bonds.
- *San Mateo County Health Campus Upgrade aka "Medical Center Upgrade".* The San Mateo County Health System Campus consists of the San Mateo Medical Center and the Health Services departments. The San Mateo Health System Campus Upgrade Project is a complex project comprised of: (1) demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Tower and the Central Plant to accommodate essential Office of Statewide Health Planning Development (OSHPD) functions; and (3) construction of a new 70,000 SF non-OSHPD administration building to support hospital functions. Consistent with the County Municipal Green Building Policy, upgrades and construction will be designed to operate at ZNE and to achieve LEED certification. This project will occur in phases with the project completion estimated for December 2021. The estimated project cost is \$120 million.
- *Cordilleras Mental Health Facility.* The Cordilleras Mental Health Facility will include 117-bed psychiatric facility serving mentally ill residents. The new facility will provide state-of-the-art care and rehabilitation for the County's most vulnerable mentally ill residents in a serene natural setting. Consistent with the County Municipal Green Building Policy, Cordilleras will be designed to operate at ZNE and to achieve LEED certification. This project will occur in phases with the project completion estimated for December 2022. The estimated project cost is \$130.8 million.

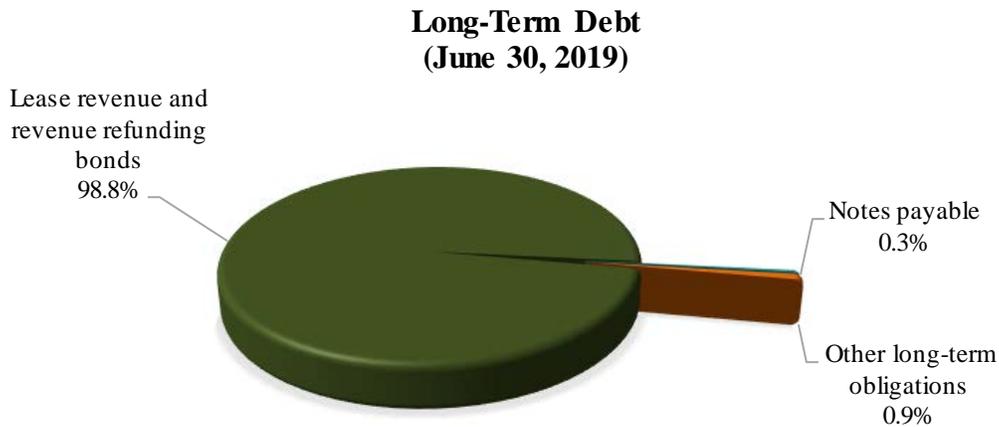
Long-Term Debt. The County's total debt increased \$194.1 million, or 44%, to \$634.9 million as of June 30, 2019. The increase is mainly caused by the issuance of 2018 Series A Lease Revenue Bonds, offset by paying the scheduled retirement of outstanding debts. As indicated in the table below, the County's total debt is primarily comprised of \$627.1 million in lease revenue and revenue refunding bonds, \$2.3 million in notes payable, and \$5.5 million in other long-term obligations.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
 Required Supplementary Information (Unaudited)
 For the Fiscal Year Ended June 30, 2019

Long-Term Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2019	2018	2019	2018	2019	2018	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 627,098	\$ 432,227	\$ -	\$ -	\$ 627,098	\$ 432,227	\$ 194,871	45%
Notes payable	-	-	2,277	2,706	2,277	2,706	(429)	-16%
Other long-term obligations	4,397	4,441	1,138	1,409	5,535	5,850	(315)	-5%
Total	\$ 631,495	\$ 436,668	\$ 3,415	\$ 4,115	\$ 634,910	\$ 440,783	\$ 194,127	44%

The County’s debts as of June 30, 2019, are distributed as follows:



Additional information on the County’s long-term debt can be found in Note 10 on pages 69-73 of this report.

Major events related to the long-term debts included the following:

- **2018 Lease Revenue Bonds.** In November 2018, the JPFA issued a total of \$217.6 million in Lease Revenue Bonds (the “2018 Bonds”) with interest rates ranging 4% to 5% and a bond premium of \$13.9 million. Together with other available moneys, the proceeds of the 2018 Bonds totaling \$231.5 million were used to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.

In connection of the 2018 Bonds, the JPFA issued 2019 Series A Lease Revenue Bonds (Forward Refunding) (the “2019 Bonds”) in October 2019 for a total of \$45.2 million with an interest rate of 5% and a bond premium of \$4.1 million. Together with other available moneys, the proceeds of the 2019 Bonds totaling \$49.3 million will be used to (i) refund the 2009 Bonds, and (ii) pay costs of issuance. The 2019 Bonds was issued on October 17, 2019.

- **Scheduled Retirement of Outstanding Debt.** The County retired a total of \$37 million in outstanding lease revenue bonds, and revenue refunding bonds including amortization of premiums and discounts, based on the debt service payment schedules.

County Ordinance No. 3773 limits the County annual debt service to 4% of the average annual County total budget for the current and the preceding four fiscal years. The debt service limit for FY 2018-19 was \$106.7 million. The amount applicable to the debt service limit was \$50.6 million, which was \$56.1 million, or 52.6%, less than authorized.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's economy continues to be strong. The following economic factors were considered in the preparation of the County's final budget for FY 2019-20.

- As of June 2019, the unemployment rate in San Mateo County remains the lowest in the State at 2.2%.
- With the close of the FY 2018-19 assessment rolls, net secured property (real property) value was assessed at an increase of 8.2% from FY 2017-18.
- Housing prices and commercial rents continue to climb. For June 2019 the median single family home price was \$1.6 million, representing an increase of 0.6% over June 2018. The average asking rent price for office space was \$5.25 per square foot in the second quarter of 2019, an increase of 7.4% from second quarter of 2018.
- The County's taxable sales have slowed in recent years due to a number of factors, including lower fuel prices, use of more fuel efficient vehicles, and the increasing trend towards online sales. The County's reliance on fuel prices and consumption, particularly in the unincorporated San Francisco International Airport area, has offset sales growth in other business sectors. The County projected 5.9% growth in sales tax, 2% growth in Measure K Half Cent Sales Tax and 2% growth in Public Safety Sales Tax in FY 2018-19.

In September 2019 the County Board adopted the final budget of \$3.3 billion for FY 2019-20.

REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, 555 County Center, 4th Floor, Redwood City, CA 94063.

SamCERA, Housing Authority, First 5, and HPSM issue separate financial reports that can be obtained by writing to:

- SamCERA at 100 Marine Parkway, Suite 125, Redwood Shores, CA 94065
- Housing Authority of the County of San Mateo at 264 Harbor Boulevard, Building A, Belmont, CA 94002
- First 5 San Mateo County at 1700 S. El Camino Real, Suite 405, San Mateo, CA 94402
- Health Plan of San Mateo at 701 Gateway Blvd., Suite 400, South San Francisco, CA 94080



Basic Financial Statements -
Government-Wide Financial Statements

COUNTY OF SAN MATEO
Statement of Net Position
June 30, 2019
(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2018)
ASSETS					
Cash and investments	\$ 1,791,625	\$ 32,130	\$ 1,823,755	\$ 12,003	\$ 403,720
Restricted cash and investments	37,235	2,067	39,302	-	300
Receivables (net)	206,769	28,433	235,202	1,643	26,110
Due from other governmental agencies	220,648	214,120	434,768	-	62,859
Inventories	551	3,537	4,088	-	-
Prepays and other assets	19,808	6,715	26,523	-	7,954
Internal balances	1,172	(1,172)	-	-	-
Notes/Loans receivable	7,649	13,916	21,565	-	-
Capital assets:					
Nondepreciable	337,314	21,041	358,355	-	15,668
Depreciable, net	753,931	61,804	815,735	-	54,297
Total assets	<u>3,376,702</u>	<u>382,591</u>	<u>3,759,293</u>	<u>13,646</u>	<u>570,908</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized losses on refunding debts	13,837	-	13,837	-	-
Pension-related items	346,275	59,863	406,138	423	2,584
OPEB-related items	33,391	7,642	41,033	60	-
Total deferred outflows of resources	<u>393,503</u>	<u>67,505</u>	<u>461,008</u>	<u>483</u>	<u>2,584</u>
LIABILITIES					
Accounts payable	83,137	24,579	107,716	1,694	3,942
Payable from restricted cash and investments	-	232	232	-	-
Accrued interest payable	9,832	96	9,928	-	-
Accrued salaries and benefits	29,922	8,527	38,449	54	-
Accrued liabilities	39	47	86	-	121,839
Due to other governmental agencies	61,683	183,344	245,027	144	106,699
Unearned revenues	68,761	1,142	69,903	-	-
Deposits	107	4	111	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	370,488	90,968	461,456	606	914
Net OPEB liability - due beyond one year	81,604	18,460	100,064	146	-
Lease revenue and revenue refunding bonds - due within one year	35,848	-	35,848	-	-
Lease revenue and revenue refunding bonds - due beyond one year	591,250	-	591,250	-	-
Notes payable - due within one year	-	70	70	-	-
Notes payable - due beyond one year	-	2,207	2,207	-	-
Other long-term obligations - due within one year	149	-	149	-	-
Other long-term obligations - due beyond one year	4,248	1,138	5,386	-	-
Estimated claims - due within one year	19,770	-	19,770	-	-
Estimated claims - due beyond one year	36,976	-	36,976	-	-
Compensated absences - due within one year	37,871	10,769	48,640	27	-
Compensated absences - due beyond one year	11,048	531	11,579	67	-
Total liabilities	<u>1,442,733</u>	<u>342,114</u>	<u>1,784,847</u>	<u>2,738</u>	<u>233,394</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized gain on refunding debts	41	-	41	-	-
Pension-related items	235	46	281	-	578
OPEB-related items	39,252	8,712	47,964	70	-
Total deferred inflows of resources	<u>39,528</u>	<u>8,758</u>	<u>48,286</u>	<u>70</u>	<u>578</u>
NET POSITION					
Net investment in capital assets	536,734	80,568	617,302	-	69,965
Restricted for:					
Public assistance	145,086	1,782	146,868	-	-
Road and sanitation	133,051	-	133,051	-	-
Debt service	35,383	-	35,383	-	-
Other purposes	9,503	-	9,503	-	300
Unrestricted	1,428,187	16,874	1,445,061	11,321	269,255
Total net position	<u>\$ 2,287,944</u>	<u>\$ 99,224</u>	<u>\$ 2,387,168</u>	<u>\$ 11,321</u>	<u>\$ 339,520</u>

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

COUNTY OF SAN MATEO
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:				
Primary government				
Governmental activities:				
General government	\$ 149,837	\$ 35,674	\$ 16,326	\$ -
Public protection	423,996	41,024	168,159	-
Public ways and facilities	23,731	3,041	27,224	-
Health and sanitation	376,472	106,810	191,175	-
Public assistance	255,556	6,165	191,492	-
Recreation	16,839	2,663	20	-
Interest on long-term liabilities	22,098	-	-	-
Total governmental activities	1,268,529	195,377	594,396	-
Business-type activities:				
San Mateo Medical Center	335,511	292,855	-	5,007
Airports	4,737	3,847	27	-
Coyote Point Marina	1,306	1,467	44	-
Housing Authority	95,526	94,057	-	-
Total business-type activities	437,080	392,226	71	5,007
Total primary government	\$ 1,705,609	\$ 587,603	\$ 594,467	\$ 5,007
Component units:				
First 5 San Mateo County	\$ 7,368	\$ -	\$ 6,573	\$ -
Health Plan of San Mateo	\$ 781,870	\$ 770,854	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
Property transfer taxes				
Sales and use taxes				
Transient occupancy taxes				
Aircraft taxes				
Vehicle rental business license tax				
Unrestricted interest and investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

(Continued)

COUNTY OF SAN MATEO
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business- type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (For the Year Ended December 31, 2018)
\$ (97,837)	\$ -	\$ (97,837)		
(214,813)	-	(214,813)		
6,534	-	6,534		
(78,487)	-	(78,487)		
(57,899)	-	(57,899)		
(14,156)	-	(14,156)		
(22,098)	-	(22,098)		
(478,756)	-	(478,756)		
	-			
-	(37,649)	(37,649)		
-	(863)	(863)		
-	205	205		
-	(1,469)	(1,469)		
-	(39,776)	(39,776)		
(478,756)	(39,776)	(518,532)		
			\$ (795)	
				\$ (11,016)
649,342	-	649,342	-	-
11,315	-	11,315	-	-
127,083	-	127,083	-	-
1,750	-	1,750	-	-
1,413	-	1,413	-	-
11,540	-	11,540	-	-
58,417	2,448	60,865	373	7,964
45,228	2,649	47,877	-	3,325
(47,783)	47,783	-	-	-
858,305	52,880	911,185	373	11,289
379,549	13,104	392,653	(422)	273
1,908,395	86,120	1,994,515	11,743	339,247
\$ 2,287,944	\$ 99,224	\$ 2,387,168	\$ 11,321	\$ 339,520

Functions/Programs:

Primary government

Governmental activities:

General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Recreation
Interest on long-term liabilities
Total governmental activities

Business-type activities:

San Mateo Medical Center
Airports
Coyote Point Marina
Housing Authority
Total business-type activities
Total primary government

Component units:

First 5 San Mateo County
Health Plan of San Mateo

General revenues:

Taxes:
Property taxes
Property transfer taxes
Sales and use taxes
Transient occupancy taxes
Aircraft taxes
Vehicle rental business license tax
Unrestricted interest and investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

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



Basic Financial Statements -

Fund Financial Statements

COUNTY OF SAN MATEO
Balance Sheet
Governmental Funds
June 30, 2019
(In Thousands)

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 1,232,066	\$ 207,074	\$ 288,905	\$ 1,728,045
Restricted cash and investments	-	37,235	-	37,235
Receivables (net):				
Accounts	10,139	-	285	10,424
Interest	28,069	1,817	1,636	31,522
Taxes	21,584	-	1,316	22,900
Mortgages	118,735	-	-	118,735
Advances	1	-	-	1
Other	22,389	-	-	22,389
Due from other funds	512	-	1,900	2,412
Due from other governmental agencies	214,289	-	3,588	217,877
Loan receivable	7,649	-	-	7,649
Prepaid items	14,877	686	91	15,654
Inventories	82	-	399	481
Advances to other funds	7,841	-	15	7,856
Total assets	<u>\$ 1,678,233</u>	<u>\$ 246,812</u>	<u>\$ 298,135</u>	<u>\$ 2,223,180</u>
LIABILITIES				
Accounts payable	\$ 51,822	\$ 5,481	\$ 25,038	\$ 82,341
Accrued salaries and benefits	29,238	-	547	29,785
Accrued liabilities	22	-	17	39
Due to other funds	1,871	-	207	2,078
Due to other governmental agencies	61,683	-	-	61,683
Unearned revenues	67,337	-	1,189	68,526
Deposits	-	-	13	13
Advances from other funds	-	185	5,942	6,127
Total liabilities	<u>211,973</u>	<u>5,666</u>	<u>32,953</u>	<u>250,592</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	235,234	-	1,370	236,604
Total deferred inflows of resources	<u>235,234</u>	<u>-</u>	<u>1,370</u>	<u>236,604</u>
FUND BALANCES				
Nonspendable	50,648	686	490	51,824
Restricted	151,220	240,460	164,542	556,222
Assigned	7,802	-	99,039	106,841
Unassigned	1,021,356	-	(259)	1,021,097
Total fund balances	<u>1,231,026</u>	<u>241,146</u>	<u>263,812</u>	<u>1,735,984</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,678,233</u>	<u>\$ 246,812</u>	<u>\$ 298,135</u>	<u>\$ 2,223,180</u>

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

COUNTY OF SAN MATEO
Reconciliation of the Governmental Funds Balance Sheet to
the Government-wide Statement of Net Position
June 30, 2019
(In Thousands)

Fund balances - total governmental funds (page 27) \$ 1,735,984

Amounts reported for governmental activities in the statement of net position are different because:

Deferred outflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	392,300
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(39,326)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,079,407
Other long-term assets are not available to pay for current-period expenditures and, therefore, are shown as deferred inflows of resources in the governmental funds.	236,604
Internal service funds are used by management to charge the costs of management of fleet maintenance, Tower Road construction, workers' compensation, long-term disability, employee benefits, and personal injury and property damage to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	23,068
Interest payable on long-term liabilities does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(9,832)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Lease revenue and revenue refunding bonds	\$ (627,098)
Other long-term obligations	(4,397)
Compensated absences	(48,696)
Net pension liability	(368,885)
Net OPEB liability	(81,185)
	(1,130,261)

Net position of governmental activities (page 24) \$ 2,287,944

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

COUNTY OF SAN MATEO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 811,317	\$ -	\$ 57,575	\$ 868,892
Licenses and permits	7,642	-	3,786	11,428
Intergovernmental	526,987	-	49,478	576,465
Charges for services	143,319	-	26,049	169,368
Fines, forfeitures and penalties	9,620	-	1,758	11,378
Rents and concessions	1,445	-	157	1,602
Investment income	42,591	4,593	7,672	54,856
Other revenues	27,191	-	603	27,794
Total revenues	<u>1,570,112</u>	<u>4,593</u>	<u>147,078</u>	<u>1,721,783</u>
Expenditures:				
Current:				
General government	135,555	76	890	136,521
Public protection	426,428	-	5,280	431,708
Public ways and facilities	-	-	23,171	23,171
Health and sanitation	359,136	-	24,371	383,507
Public assistance	239,666	-	22,486	262,152
Recreation	16,100	-	-	16,100
Capital outlay	7,455	18,011	74,392	99,858
Debt service:				
Principal	-	32,792	798	33,590
Interest	-	19,327	921	20,248
Bond issuance costs	-	1,454	-	1,454
Bond insurance	-	32	1	33
Total expenditures	<u>1,184,340</u>	<u>71,692</u>	<u>152,310</u>	<u>1,408,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>385,772</u>	<u>(67,099)</u>	<u>(5,232)</u>	<u>313,441</u>
Other financing sources (uses):				
Issuance of debt	-	217,640	104	217,744
Proceeds from sale of capital assets	-	-	3	3
Bond premium	-	13,860	-	13,860
Transfers in	12,710	50,272	95,961	158,943
Transfers out	(136,120)	-	(74,113)	(210,233)
Total other financing sources (uses)	<u>(123,410)</u>	<u>281,772</u>	<u>21,955</u>	<u>180,317</u>
Change in fund balances before special item	<u>262,362</u>	<u>214,673</u>	<u>16,723</u>	<u>493,758</u>
Special item:				
Additional pension contribution to SamCERA	(50,668)	-	-	(50,668)
Net change in fund balances	211,694	214,673	16,723	443,090
Fund balances - beginning	<u>1,019,332</u>	<u>26,473</u>	<u>247,089</u>	<u>1,292,894</u>
Fund balances - end	<u>\$ 1,231,026</u>	<u>\$ 241,146</u>	<u>\$ 263,812</u>	<u>\$ 1,735,984</u>

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

COUNTY OF SAN MATEO
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Net change in fund balances - total governmental funds (page 29) \$ 443,090

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the assets' estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets and infrastructure	\$ 99,858	
Expenditures not subject to capitalization	(14,585)	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, trade-ins, and donations	(239)	
Less current year depreciation	<u>(28,726)</u>	56,308

Pension contributions made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements 203,816

OPEB contributions made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements 23,225

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. (27,688)

Issuance of lease revenue bonds and other long term obligations provide current financial resources to the governmental funds, but these obligations are reported as long-term liabilities in the government-wide financial statements. (217,744)

Bond premiums are other financing sources in the governmental funds but deferred and amortized over the life of the bonds in the statement of activities. (13,860)

Repayment and defeasance of long-term liabilities are expenditures and other financing uses in the governmental funds but reduces long-term liabilities in the statement of net position.

Payments toward:

Lease revenue bonds	32,792	
Revenue refunding bonds	<u>650</u>	33,442

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium	2,904	
Retirement and amortization of gain/(loss) on refunding of debt	(841)	
Change in accrued interest payable	(4,196)	
Accretion of capital appreciation bonds	283	
Change in other long-term liabilities	44	
Change in compensated absences	<u>(1,651)</u>	(3,457)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (111,350)

Changes to net OPEB liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (11,687)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expenses of certain activities of the internal service funds are reported with governmental activities. 5,454

Change in net position of governmental activities (page 26) \$ 379,549

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

COUNTY OF SAN MATEO
Statement of Fund Net Position
Proprietary Funds
June 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds			Total	Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds		Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 7,717	\$ 20,815	\$ 3,598	\$ 32,130	\$ 63,580
Restricted cash and investments	-	2,067	-	2,067	-
Receivables (net):					
Accounts	21,447	5	54	21,506	455
Grant	348	-	-	348	-
Interest	1,785	138	21	1,944	343
Other	4,635	-	-	4,635	-
Due from other funds	-	-	-	-	14
Due from other governmental agencies	213,648	409	63	214,120	2,771
Inventories	3,537	-	-	3,537	70
Notes receivable	-	5	-	5	-
Prepays and other assets	4,343	149	8	4,500	4,154
Total current assets	<u>257,460</u>	<u>23,588</u>	<u>3,744</u>	<u>284,792</u>	<u>71,387</u>
Noncurrent assets:					
Notes receivable	200	11,583	-	11,783	-
Loan receivable	2,128	-	-	2,128	-
Deposits	1,176	-	-	1,176	-
Other noncurrent assets	-	1,039	-	1,039	-
Capital assets:					
Nondepreciable:					
Land	841	5,228	8,178	14,247	-
Construction in progress	4,302	-	2,492	6,794	198
Depreciable:					
Structures and improvements	17,439	23,609	49,282	90,330	4,596
Equipment	21,835	1,316	354	23,505	27,357
Software	16,744	-	-	16,744	9
Less accumulated depreciation	(28,303)	(20,524)	(19,948)	(68,775)	(20,322)
Total capital assets	<u>32,858</u>	<u>9,629</u>	<u>40,358</u>	<u>82,845</u>	<u>11,838</u>
Total noncurrent assets	<u>36,362</u>	<u>22,251</u>	<u>40,358</u>	<u>98,971</u>	<u>11,838</u>
Total assets	<u>293,822</u>	<u>45,839</u>	<u>44,102</u>	<u>383,763</u>	<u>83,225</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	59,286	-	577	59,863	1,031
OPEB-related items	7,338	215	89	7,642	172
Total deferred outflows of resources	<u>66,624</u>	<u>215</u>	<u>666</u>	<u>67,505</u>	<u>1,203</u>
LIABILITIES					
Current liabilities:					
Accounts payable	23,846	402	331	24,579	796
Payable from restricted cash and investments	-	232	-	232	-
Accrued interest payable	-	-	96	96	-
Accrued salaries and benefits	8,277	173	77	8,527	137
Accrued liabilities	-	47	-	47	-
Due to other funds	27	-	-	27	321
Due to other governmental agencies	183,344	-	-	183,344	-
Unearned revenues	1,103	12	27	1,142	235
Deposits	-	-	4	4	94
Notes payable - current	-	1	69	70	-
Compensated absences - current	10,380	291	98	10,769	182
Estimated claims - current	-	-	-	-	19,770
Total current liabilities	<u>226,977</u>	<u>1,158</u>	<u>702</u>	<u>228,837</u>	<u>21,535</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	785
Net pension liability	90,125	-	843	90,968	1,603
Net OPEB liability	17,806	435	219	18,460	419
Notes payable - noncurrent	-	33	2,174	2,207	-
Compensated absences - noncurrent	401	90	40	531	41
Estimated claims - noncurrent	-	-	-	-	36,976
Other long-term liabilities - noncurrent	890	248	-	1,138	-
Total noncurrent liabilities	<u>110,166</u>	<u>806</u>	<u>3,276</u>	<u>114,248</u>	<u>39,824</u>
Total liabilities	<u>337,143</u>	<u>1,964</u>	<u>3,978</u>	<u>343,085</u>	<u>61,359</u>
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	46	-	-	46	1
OPEB-related items	8,542	65	105	8,712	201
Total deferred inflows of resources	<u>8,588</u>	<u>65</u>	<u>105</u>	<u>8,758</u>	<u>202</u>
NET POSITION					
Net investment in capital assets	32,858	9,595	38,115	80,568	11,838
Restricted:					
Housing assistance programs	-	1,782	-	1,782	-
Unrestricted	(18,143)	32,648	2,570	17,075	11,029
Total net position	<u>\$ 14,715</u>	<u>\$ 44,025</u>	<u>\$ 40,685</u>	<u>99,425</u>	<u>\$ 22,867</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(201)	
Net position of business-type activities (page 24)				<u>\$ 99,224</u>	

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

COUNTY OF SAN MATEO
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 435,212	\$ -	\$ 1,504	\$ 436,716	\$ 155,961
Less:					
Contractual allowances	(303,520)	-	-	(303,520)	-
Provision for doubtful accounts	(4,650)	-	-	(4,650)	-
Net charges for services	127,042	-	1,504	128,546	155,961
Other program revenues:					
Supplemental programs	144,492	-	-	144,492	-
Premium revenues	5,075	-	-	5,075	-
Sales tax realignment	3,883	-	-	3,883	-
Other operating revenues:					
Rent and concessions	1,314	3,755	3,810	8,879	-
Revenue from housing assistance payments	-	90,302	-	90,302	-
Revenue from foundations	3,674	-	-	3,674	-
Sales of drugs and medical supplies, fees, and others	7,375	-	-	7,375	-
Miscellaneous	-	1,608	1,041	2,649	8,478
Total operating revenues	<u>292,855</u>	<u>95,665</u>	<u>6,355</u>	<u>394,875</u>	<u>164,439</u>
Operating expenses:					
Salaries and benefits	160,462	5,127	1,668	167,257	2,685
Pension expense	22,653	-	217	22,870	396
OPEB expense	2,581	67	32	2,680	60
Pharmaceutical drugs	9,617	-	-	9,617	-
Supplies	11,644	-	-	11,644	-
Contract provider services	44,839	-	-	44,839	-
Other fees and purchased services	55,638	-	-	55,638	-
General and administrative	25,995	4,933	3,077	34,005	15,804
Benefits and claims	-	-	-	-	30,486
Insurance premiums	-	-	-	-	112,120
Depreciation and amortization	2,273	602	922	3,797	2,262
Housing assistance payments	-	84,797	-	84,797	-
Total operating expenses	<u>335,702</u>	<u>95,526</u>	<u>5,916</u>	<u>437,144</u>	<u>163,813</u>
Operating income (loss)	<u>(42,847)</u>	<u>139</u>	<u>439</u>	<u>(42,269)</u>	<u>626</u>
Nonoperating revenues (expenses):					
State and federal grants	-	-	71	71	-
Loss from disposal of capital assets	(261)	-	-	(261)	-
Investment income	1,688	650	110	2,448	1,761
Interest expense	-	-	(115)	(115)	-
Total nonoperating revenues, net	<u>1,427</u>	<u>650</u>	<u>66</u>	<u>2,143</u>	<u>1,761</u>
Income (loss) before capital contributions and transfers	<u>(41,420)</u>	<u>789</u>	<u>505</u>	<u>(40,126)</u>	<u>2,387</u>
Capital contributions	5,007	-	-	5,007	-
Transfers in	58,122	-	114	58,236	3,536
Transfers out	(10,453)	-	-	(10,453)	(29)
Change in net position	<u>11,256</u>	<u>789</u>	<u>619</u>	<u>12,664</u>	<u>5,894</u>
Net position - beginning	<u>3,459</u>	<u>43,236</u>	<u>40,066</u>		<u>16,973</u>
Net position - end	<u>\$ 14,715</u>	<u>\$ 44,025</u>	<u>\$ 40,685</u>		<u>\$ 22,867</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				440	
Change in net position of business-type activities (page 26)				<u>\$ 13,104</u>	

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

COUNTY OF SAN MATEO
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash receipts from customers	\$ 241,858	\$ 95,678	\$ 6,419	\$ 343,955	\$ -
Cash receipts from interfund services provided	-	-	-	-	163,318
Cash paid to suppliers of goods and services	(142,781)	(5,094)	(3,017)	(150,892)	(129,409)
Cash paid to employees for services	(195,138)	(5,183)	(1,998)	(202,319)	(3,316)
Cash paid for housing assistance	-	(85,422)	-	(85,422)	-
Cash paid for judgments and claims	-	-	-	-	(29,938)
Net cash provided by (used in) operating activities	<u>(96,061)</u>	<u>(21)</u>	<u>1,404</u>	<u>(94,678)</u>	<u>655</u>
Cash flows from noncapital financing activities					
County subsidy transfers	58,122	-	-	58,122	-
Transfers received from other funds	-	-	114	114	3,536
Transfers paid to other funds	(10,453)	-	-	(10,453)	(29)
Loan to other funds	27	-	-	27	-
Loan payments to other funds	-	-	-	-	(19)
Proceeds from long term borrowings	-	(272)	-	(272)	-
State and federal grant receipts	-	-	27	27	-
Net cash provided by (used in) noncapital financing activities	<u>47,696</u>	<u>(272)</u>	<u>141</u>	<u>47,565</u>	<u>3,488</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(3,795)	(6)	(1,888)	(5,689)	(6,864)
Capital contribution	5,007	-	-	5,007	-
Payment on long-term liabilities	-	-	(429)	(429)	-
Interest paid on long-term liabilities	-	-	(123)	(123)	-
Net cash provided by (used in) capital and related financing activities	<u>1,212</u>	<u>(6)</u>	<u>(2,440)</u>	<u>(1,234)</u>	<u>(6,864)</u>
Cash flows from investing activities					
Cash disbursed for loans	(1,415)	(830)	-	(2,245)	-
Interest received from loans	-	9	-	9	-
Interest receipts	1,688	731	149	2,568	1,691
Interest expense paid	-	(99)	-	(99)	-
Net cash provided by (used in) investing activities	<u>273</u>	<u>(189)</u>	<u>149</u>	<u>233</u>	<u>1,691</u>
Net increase (decrease) in cash and cash equivalents	(46,880)	(488)	(746)	(48,114)	(1,030)
Cash and cash equivalents, beginning	54,597	23,370	4,344	82,311	64,610
Cash and cash equivalents, end	<u>\$ 7,717</u>	<u>\$ 22,882</u>	<u>\$ 3,598</u>	<u>\$ 34,197</u>	<u>\$ 63,580</u>
Financial statement presentation:					
Cash and investments	\$ 7,717	\$ 20,815	\$ 3,598	\$ 32,130	\$ 63,580
Restricted cash and investments	-	2,067	-	2,067	-
Cash and cash equivalents, end	<u>\$ 7,717</u>	<u>\$ 22,882</u>	<u>\$ 3,598</u>	<u>\$ 34,197</u>	<u>\$ 63,580</u>

(Continued)

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

COUNTY OF SAN MATEO
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (42,847)	\$ 139	\$ 439	\$ (42,269)	\$ 626
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	2,273	602	922	3,797	2,262
Decrease (increase) in:					
Accounts receivable	(6,469)	(1)	8	(6,462)	(30)
Grant receivable	(45)	-	-	(45)	-
Other receivable	(519)	-	-	(519)	-
Due from other funds	-	-	-	-	7
Due from other governmental agencies	(76,923)	(233)	44	(77,112)	(235)
Inventories	(237)	-	-	(237)	4
Other assets	(492)	(638)	-	(1,130)	(863)
Deposits	(49)	-	-	(49)	-
Deferred outflows of resources	(476)	(183)	-	(659)	(67)
Increase (decrease) in:					
Accounts payable	5,275	97	60	5,432	(1,535)
Accrued salaries and benefits	1,084	18	10	1,112	33
Accrued liabilities	-	6	-	6	-
Due to other funds	-	-	(1)	(1)	16
Unearned revenues	(38)	7	13	(18)	30
Refundable deposits	33,452	-	-	33,452	-
Net pension liability	(9,201)	-	(173)	(9,374)	(125)
Net OPEB Liability	2,309	152	91	2,552	54
Compensated absences	469	(33)	23	459	-
Estimated claims	-	-	-	-	548
Deferred inflows of resources	(3,627)	46	(32)	(3,613)	(70)
Net cash provided by (used in) operating activities	<u>\$ (96,061)</u>	<u>\$ (21)</u>	<u>\$ 1,404</u>	<u>\$ (94,678)</u>	<u>\$ 655</u>

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

COUNTY OF SAN MATEO
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019
(In Thousands)

	SamCERA Pension Trust	Investment Trust	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments (in County investment pool)	\$ 13,800	\$ 3,097,053	\$ 447,607
Cash and investments (outside County investment pool)	67,717	-	-
Receivables (net):			
Due from broker for investments sold	6,640	-	-
Contributions	10,300	-	-
Interest	6,293	22,062	2,709
Security lending income	13	-	-
Taxes, net	-	-	171,452
Other	95	-	-
Due from other governmental agencies	-	6,920	20,787
Prepaid expense	11	-	-
Investments:			
Fixed income	999,477	-	-
Equity	1,847,847	-	-
Alternatives	579,775	-	-
Risk parity	389,039	-	-
Inflation hedge	809,138	-	-
Capital assets, net	5,979	-	-
Other assets	-	111	43,756
Total assets	<u>4,736,124</u>	<u>3,126,146</u>	<u>686,311</u>
LIABILITIES			
Accounts payable	2,213	1,503	-
Due to broker for investments purchased	9,061	-	-
Due to other governmental agencies	-	51	106,870
Securities lending collateral due to borrowers	405	-	-
Other liabilities	1,335	689	-
Fiduciary liabilities	-	-	579,441
Total liabilities	<u>13,014</u>	<u>2,243</u>	<u>686,311</u>
NET POSITION			
Net position restricted for pension benefits/investment pool participants	<u>\$ 4,723,110</u>	<u>\$ 3,123,903</u>	<u>\$ -</u>

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

COUNTY OF SAN MATEO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	SamCERA Pension Trust	Investment Trust
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer contributions	\$ 245,498	\$ -
Plan member contributions	67,696	-
Contributions to investment pool	-	4,747,386
Total contributions	<u>313,194</u>	<u>4,747,386</u>
Net investment income:		
Net appreciation in fair value of investments	242,168	20,216
Interest and investment income	71,800	198,893
Investment expense	(42,376)	-
Securities lending activities:		
Securities lending income	89	14
Securities lending expenses	(23)	-
Total net investment income	<u>271,658</u>	<u>219,123</u>
Other additions	33	-
Total additions	<u>584,885</u>	<u>4,966,509</u>
DEDUCTIONS		
Benefits and refunds paid to plan members and beneficiaries:		
Service retirement benefits	196,874	-
Disability retirement benefits	25,212	-
Death and other benefits	1,528	-
Withdrawals of members' contributions	3,571	-
Total benefits and refunds paid to plan members and beneficiaries	<u>227,185</u>	<u>-</u>
Distributions from investment pool	-	4,610,468
Administrative expenses	8,552	-
Total deductions	<u>235,737</u>	<u>4,610,468</u>
Change in net position	349,148	356,041
Net position - beginning	<u>4,373,962</u>	<u>2,767,862</u>
Net position - end	<u>\$ 4,723,110</u>	<u>\$ 3,123,903</u>

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



Basic Financial Statements -
Notes to the Basic Financial Statements

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019
(In Thousands)

NOTE 1 – THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

The County of San Mateo, California (County), a Charter County, is a legal subdivision of the State of California established by an Act of the State Legislature in 1856. The County is governed by a five-member Board of Supervisors (County Board) with legislative and executive control of the County. Major services provided by the County include law enforcement and legal justice, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, though they are legally separate entities, are in substance part of the County's operations. Thus, blended component units are presented as funds of the County. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide financial statements to emphasize that they are not considered as an integral part of the primary government.

The County's financial statements include all financial activities for which the primary government is financially accountable or closely related. The financial statements of the individual component units may be obtained by writing to the County of San Mateo, Controller's Office, 555 County Center, 4th Floor, Redwood City, California 94063.

(b) Blended Component Units

San Mateo County Joint Powers Financing Authority

The San Mateo County Joint Powers Financing Authority (JPFA), a joint exercise of powers agency organized under the laws of the State of California by agreements dated May 15, 1993, was formed to assist the County in the financing of public capital improvements. The County Board appointed a five-member board to set policies. The JPFA has no employees, and its daily operation is conducted by County employees or consultants. Because its financial and operational relationship with the County is closely integrated, the JPFA is reported as a major governmental fund in the County's basic financial statements. The JPFA issues a separate financial report that can be obtained by writing to the Office of the County Manager, 400 County Center, 1st Floor, Redwood City, California 94063.

Housing Authority of the County of San Mateo

The Housing Authority of the County of San Mateo (Housing Authority), established pursuant to the State Health and Safety Code by the County Board, provides housing assistance to low and moderate-income families at rents they can afford. Eligibility is determined by family composition and income in areas served by the Housing Authority. Most of the housing programs administered by the Housing Authority are funded by contributions from the U.S. Department of Housing and Urban Development (HUD) pursuant to the United States Housing Act of 1937 and the HUD Act. The Housing Authority's Board of Commissioners is composed of the same members as the County Board. Decisions affecting the Housing Authority are addressed as part of the Board's overall meeting. The County is financially accountable for the Housing Authority because the County holds a voting majority and may impose its will on the Housing Authority. Thus, the Housing Authority is reported as a major enterprise fund in the County's basic financial statements. The Housing Authority issues a separate financial report that can be obtained by writing to Housing Authority of the County of San Mateo at 264 Harbor Boulevard, Building A, Belmont, California 94002.

In-Home Supportive Services (IHSS) Public Authority

The IHSS Public Authority assists IHSS clients in finding qualified caregivers. Though a legally separate entity, the IHSS Public Authority is programmatically integrated into the County service systems for seniors and persons with disabilities. The County Board serves as its governing body. The County is financially accountable for the IHSS Public Authority because the County holds a voting majority and may impose its will on the IHSS Public Authority. Because

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

of this relationship with the County, the IHSS Public Authority is reported as a nonmajor governmental fund in the County's basic financial statements.

County Service Areas, Sewer and Sanitation, Flood Control, Lighting, and Other Special Districts

The County Board, acting as a governing body, approves budgets, special taxes, and fees of the County Service Areas, Sewer and Sanitation, Flood Control, Lighting, and Other Special Districts (special districts). The County is financially accountable for these entities because the County holds a voting majority and may impose its will on each of these entities. Each of these special districts is, in substance, an integral part of the County and is reported as a nonmajor special revenue fund in the County's basic financial statements.

(c) Discretely Presented Component Units

First 5 San Mateo County

First 5 San Mateo County (First 5) was created in 1998 as an "agency" of the County with independent authority with the passage of Proposition 10, the California Children and Families First Act. This Act levied tobacco tax to support an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development to ensure that children are ready to enter school.

The primary role of First 5 is to ensure resources from the California Children and Families Trust Fund are allocated in a fiscally responsible manner. Its governing board consists of nine members, including County public officials and community leaders from the fields of early childhood education, healthcare, and family support. First 5 board members are appointed and can be removed at will by the County Board. If the County opts to dissolve First 5 in the future, all of the residual equity with First 5 must return to the State. Because First 5 has independent authority over its strategic plan and its governing board is not substantially the same as the County, First 5 is reported as a discretely presented component unit in the County's basic financial statements. First 5 issues a separate financial report that can be obtained by writing to First 5 San Mateo County at 1700 South El Camino Real, Suite 405, San Mateo, California 94402.

Health Plan of San Mateo

The San Mateo Health Commission and the San Mateo Community Health Authority, doing business as Health Plan of San Mateo (HPSM), was established by the County Board under an ordinance pursuant to Section 14087.51 and Section 14087.54 of the Welfare and Institutional Code, respectively, as a Health Insuring Organization. The majority of HPSM's revenues are generated from a contract with the State of California Medi-Cal Program and a contract with the Centers for Medicare and Medicaid Services (CMS) for the Medicare program.

HPSM is a legally separate entity governed by eleven Commissioners appointed by the County Board. Because the County Board has the ability to appoint and remove all the Commissioners at will, HPSM is included in the County's basic financial statements as a discretely presented component unit. HPSM is a nonprofit entity that is separate and apart from the County, and is not considered to be an agency, division, or department of the County. Furthermore, HPSM is not governed by, nor is it subject to, the Charter of the County and is not subject to the County's policies or operational rules. HPSM's debts are not expected to be repaid with County resources. Therefore, HPSM's financial activities are presented separately from that of the primary government.

HPSM is responsible for managing a capitated prepaid health care system for residents of the County who are eligible for various health care programs, including Medi-Cal; a Medicare Dual Eligible Special Needs Plan; HealthWorx, an insurance program for In-Home Supportive Services employees, San Mateo County Extra Help employees, and certain City of San Mateo non-merit part-time and library per diem employees; and Healthy Kids, a locally funded insurance product for children with family income levels of 400% of poverty or lower who do not qualify for Medi-Cal.

HPSM acquired a license under the Knox-Keene Health Care Services Plan Act, and is regulated by the State's Department of Health Care Services (DHCS), California's Department of Managed Health Care (DMHC), and Centers

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

for Medicare and Medicaid Services (CMS). HPSM issues a separate financial report that can be obtained by writing to HPSM at 701 Gateway Blvd., Suite 400, South San Francisco, CA 94080.

(d) Component Unit – Fiduciary in Nature

San Mateo County Employees' Retirement Association

The San Mateo County Employees' Retirement Association (SamCERA) exists to serve as the administrator of the County's pension plan. SamCERA's management is vested in the Board of Retirement consisting of nine members. Pursuant to the County Employees Retirement Law of 1937, board members include the County Treasurer, two general members of SamCERA elected by their peers, four members appointed by the County Board, one member from SamCERA's safety members, and one member from the retirees. The Board of Retirement undertakes the administrative and fiduciary responsibility over the pension plan. Because of its fiduciary relationship with the County, SamCERA is a component unit of the County (fiduciary in nature) and reported as a pension trust fund in the County's basic financial statements and not reported in the government-wide financial statements. SamCERA issues a separate financial report that can be obtained by writing to SamCERA at 100 Marine Parkway, Suite 125, Redwood Shores, California 94065.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-wide Financial Statements

The *statement of net position* and the *statement of activities* report information on the primary government of the County and its component units. All fiduciary activities are reported only in the fund financial statements. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component units. The *statement of net position* presents assets, liabilities, deferred outflows/inflows of resources, and net position. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external customers. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The *statement of activities* presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's *business-type activities* and for each function of the County's *governmental activities*. Direct expenses are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Interfund charges, which equal or approximate the external exchange value of services provided, are reported as program revenues. Interfund reimbursements, repayments from the funds responsible for particular expenses to the funds that initially paid for them, are treated as adjustments to expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are services provided and used such as accounting and legal services are not eliminated in the process of consolidation.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, which are each displayed in a separate column. All remaining governmental and enterprise funds are respectively aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are presented as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- *General Fund* is the County's primary operating fund and accounts for all financial resources of the County, except those accounted for in another fund. The activities carried out by the General Fund include general government, public protection, health and sanitation, public assistance, and recreation services.
- *Joint Powers Financing Authority (JPFA)* accounts for debts issued to finance County-sponsored capital projects and debt service payments to creditors. The JPFA's revenues predominantly come from lease payments made by the County under individual lease agreements.

The County reports the following major enterprise funds:

- *San Mateo Medical Center (Medical Center)* accounts for the hospital and clinical services provided to County residents. The Medical Center's revenues are principally fees for patient services, realignment revenues, subsidies from the General Fund, and payments from federal and State programs such as Medicare and Medi-Cal.
- *Housing Authority* accounts for various housing programs primarily funded by contributions from HUD and rent payments from tenants.

The County also reports the following additional fund types:

- *Internal Service Funds* (provided to departments or other governmental agencies) account for the County's fleet services, road maintenance or construction services, risk management services (including claims for workers' compensation, long-term disability, general liability, and personal injury and property damage) and employee benefits (including medical, vision, and dental) on a cost-reimbursement basis.
- *Fiduciary Funds* are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other government units.

These funds include:

- *SamCERA Pension Trust Fund* accumulates contributions from the County, the San Mateo County Mosquito and Vector Control District, the Superior Courts of the County of San Mateo, and their employees. Earnings from investments are credited to and disbursements are made from this fund for retirement, disability, death benefits (based on a defined benefit formula), and administrative expenses. This fund reports all assets of the SamCERA.
- *Investment Trust Fund* (commonly known as *External Investment Pool*) accounts for assets of legally separate entities being held by the County Treasurer. These entities include school and community college districts; other special districts governed by local boards, regional boards and authorities; and pass through funds for tax collections for cities. The County Treasurer is obligated to disburse monies from these funds on demand at a maximum of 20% of the principal balance each month, exclusive of apportionment, payrolls and day-to-day operations. Additional requests for withdrawals must be specifically authorized by the County Treasurer.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

- *Agency Funds* are custodial in nature and do not report operating results. These funds are used to account for assets held by the County as an agent for various local governments and individuals, such as the County Library Fund governed by the Board of San Mateo Joint Powers Authority; unapportioned taxes for other local governmental agencies; funds administered by the San Mateo County Superior Court; and funds held for the Public Administrator, Public Guardian, and other governmental agencies.

During the course of operations, the County has activity between funds for various purposes through due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between those funds included in the governmental activities (i.e., the governmental and the internal service funds) are eliminated so that only the net amount is reported as internal balances in the governmental activities column, except for services provided and used are not eliminated. Similarly, balances between those funds included in the business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Certain activities occur during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between those funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between those funds included in the business-type activities are eliminated so that only the net amount is included as transfer in the business-type activities column.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, and the basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Under the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from nonexchange transactions such as grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met. Nonexchange transactions are those in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting method, revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay for liabilities of the current period. The County considers revenues to be available if they are collected within the first two months (i.e. July and August) after year-end. Property and sales taxes, interest, certain state and federal grants, and charges for services are recognized if their receipt occurs within two months after year-end. Expenditures generally are recorded when liabilities are incurred, as under the accrual basis of accounting. However, expenditures for debt service, compensated absences, and claims and judgments are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The pension and investment trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but uses the accrual basis of accounting for reporting of its assets and liabilities.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool to be cash equivalents.

2. Investments

The County sponsors an investment pool to invest funds of the County and external public entities. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's Investment Policy, which delegate the County Treasurer to invest in securities issued by the United States, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, the State of California Local Agency Investment Fund, and securities lending transactions. SamCERA has its own investment policy and accounting policies for its investments that are separately discussed in Note 4.

Investment transactions are recorded on the trade date. Investments in nonparticipating interest-earning investment contracts are reported at cost; commercial paper that has a maturity of less than 90 days are reported at amortized cost; and all other investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy defined by generally accepted accounting principles.

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants.

For the fiscal year ended June 30, 2019, the County Treasurer has not entered into any legally binding guarantees to support the participant equity in the investment pool. Income from pooled investments is allocated to individual funds or external participants based on each fund's or participant's average daily cash balance at quarter end in relation to the total pool investments. Investment income earned in agency funds with no interest earning requirements is assigned to the General Fund. Income from non-pooled investments is deposited into funds that provided the resources.

3. Restricted Cash and Investments

The County reports restricted cash and investments in the JPFA (governmental fund) and the Housing Authority (enterprise fund). Amounts reported in the JPFA are restricted for debt service payments. Amounts reported in Housing Authority consist of security deposits received from tenants at move-in and housing assistance payment (HAP) equity for special vouchers in accordance with the U.S. Department of Housing and Urban Development (HUD) requirements. The security deposits are returned to tenants upon move-out.

4. Mortgages Receivable

For the purpose of the fund financial statements, governmental fund expenditures arising from long-term loan subsidy programs are charged to operations upon funding. The loans are recorded, net of an estimated allowance for potentially uncollectible loans, as mortgages receivable with an offset to deferred inflows of resources. The balance of the mortgages receivable includes loans that may be forgiven if certain terms and conditions are being met. The County reported mortgages receivable of \$118.7 million, net of allowance of \$17.3 million, on the governmental fund balance sheet as of June 30, 2019.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

5. Inventories and Prepaid Items

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or fair value for proprietary funds. Inventories in the governmental funds are recorded as expenditures when consumed. Unconsumed inventories in the governmental funds are equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form. Inventories recorded in the proprietary funds primarily consist of maintenance and pharmaceutical supplies retained by the Medical Center. Inventories are expensed when supplies are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepayments are amortized and recognized as expenditures in the period consumed using the consumption method.

6. Capital Assets

Capital assets, including public domain, are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets, including works of art, historical treasures and similar items, and capital assets received in a service concession arrangement are recorded at the estimated acquisition value. The County defines capital assets as assets with an initial unit cost of more than \$5 thousand and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (for assets under capital leases) using the straight-line method over the lesser of their estimated useful live or the capital lease period in the government-wide financial statements and the proprietary funds. Estimated useful lives for the capital assets are as follows:

Infrastructure	20 to 50 years
Structures and improvements	50 years
Equipment	3 to 15 years
Software	3 to 5 years

The County has six networks of infrastructure assets: road, bridge, water and sewer, lighting, drainage, and flood control. The County’s maintained pavement subsystem has been classified as roads with or without formal structural sections and is reported using the modified approach. In FY 2017-18 the County performed a complete, physical assessment of the maintained pavement subsystem condition. The condition assessment is completed triennially.

Each road segment is rated and given a Pavement Condition Index (PCI) value from zero to one hundred (0 – 100). Roads with a PCI of 40 or higher are considered in a “Fair” or better condition. Roads with a PCI of 55 or higher are in a “Good” or better condition. The County’s policy is to maintain a minimum PCI of 40 for at least 65 percent of roads with no defined structural section (secondary roads), and a minimum PCI of 55 for at least 75 percent of roads with a defined structural section (primary roads). Under the modified approach, depreciation is not reported for this subsystem and all expenditures, except for betterments and major improvements, made to the subsystem are expensed.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives of the capital assets, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

7. Deferred Outflows/Inflows of Resources

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

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

then. The County has deferred outflows of resources related to the unamortized losses on refunding of debts and related to pensions and OPEB. The losses on refunding result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions and OPEB in its proprietary and government-wide statements. The governmental funds report unavailable revenues from property taxes, advances from the federal and State, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available.

8. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SamCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Plan investments are reported at fair value.

9. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB, and OPEB expense, information about the fiduciary net position of San Mateo County's employee retiree benefits plan, administered by CalPERS' California Employers' Retiree Benefit Trust (CERBT) and additions to/deductions from the CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, the County recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The County is not obligated to pay for unused sick leave if employees terminate employment prior to retirement, except for laid-off employees. Upon retirement, employees can convert their unused sick leave to postemployment healthcare benefits. The amount and duration of the County-paid benefits vary, depending on the bargaining units to which the employee belongs. See Note 14 for further discussion.

10. Compensated Absences (Accrued Vacation, Compensatory Time, and Holiday)

The County's policy allows employees to accumulate earned but unused vacation, compensatory, and holiday time, which are eligible for payment upon separation from the County service. The liability of such time is reported as incurred in the government-wide and proprietary fund financial statements. The liability for those amounts is recorded in the governmental funds only if the liability has matured as result of employee resignations or retirements. The liability for compensated absences includes the County's share of social security and Medicare contributions payable on behalf of the employees. Accumulated sick leave lapses when employees leave the County and, upon separation from service, no monetary obligation exists.

11. Net Position

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To determine the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County depletes restricted net position before unrestricted net position is applied.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

12. Fund Balance Policies

Fund balance of governmental funds is reported in the following categories based on the nature of limitations confining the use of resources for specific purposes:

- *Nonspendable Fund Balance* – includes amounts that are (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid amounts, and long-term interfund advances and receivables.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – represents amounts that can only be used for specific purposes through resolutions authorized by the County Board. Commitments can only be modified or lifted through Board resolutions.
- *Assigned Fund Balance* – comprises of amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The County Manager and department heads can assign available fund balance to be used for specific purposes during budget identification. Budgets recommended by departments require the County’s Board approval. Unlike commitments, assignments generally only exist temporarily. Further action is not needed to remove the assignment.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (committed, assigned, and unassigned fund balances). To determine the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County depletes restricted fund balance before unrestricted fund balance is applied. Further, in circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

D. Revenues and Expenditures/Expenses

1. Property Tax Levy, Collection, and Maximum Rates

The State’s Constitution Article XIII A, commonly known as Proposition 13, provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless two-thirds of the voters have approved additional taxes be levied to fund general obligation bond debt service. Under Proposition 13, beginning with FY 1978-79, assessed value is calculated at 100% of market value and may be adjusted by no more than 2% per year unless the property is sold or transferred. In November 2000, California voters approved Proposition 39 that sets the approval threshold at 55% for school facilities related bonds.

The County is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction. The State legislature determines the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. For fiscal year 2018-19, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$224.6 billion. This amount includes \$21.6 billion in redevelopment assessed value

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

increment. On the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied. On the fund financial statements, property tax revenues are deferred if not received within two months after fiscal year-end. The County levies, bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	On or before November 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 for November April 10 for February	August 31

Effective July 1, 1993, the County began apportioning secured property tax revenue in accordance with the alternate method of distribution, the Teeter Plan, as prescribed by Section 4717 of the California Revenue and Taxation Code. Under the Teeter Plan, the County allocates to local taxing agencies 100% of the secured property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property. The County legally is required to maintain a minimum of 1% of the total tax levies on secured properties within the tax areas of participating entities, which was about \$26.3 million at June 30, 2019.

County management believes that any ownership rights to the TLRF the County may have are effective only upon a Board-approved transfer or to the extent of losses related to the sale of tax defaulted property. The balance in TLRF is being held in a custodial capacity for the participants in the County's Teeter Plan and accounted for in an agency fund. The balance in the TLRF was \$187.9 million at June 30, 2019.

Pursuant to Section 97.2 (D)(4)(i) of the California Revenue and Taxation Code (Code), in 1992 the County established an agency fund, the Educational Revenue Augmentation Fund (ERAF), to redirect property tax from the County, cities, and special districts to public education programs. Each of these local agencies is required to shift an amount of property tax revenues prescribed by the Code to ERAF. Once school districts and programs are paid the maximum allowable, the Code requires the excess ERAF be refunded to these local agencies. The County General Fund received a total of \$170.3 million from the excess ERAF for the fiscal year ended June 30, 2019.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating revenues*, such as charges for services, generally result from exchange transactions associated with the principal activity of each fund. The Medical Center particularly defines its operating revenues as deemed by management to be ongoing, major, or central to the provision of healthcare services. Its operating revenues are derived from direct patient care, other programs (such as supplemental program and medical managed program), and revenues from the sale of other goods and services. The Housing Authority's principal operating revenues are dwelling rental income and HUD housing assistance payments. *Nonoperating revenues* are mainly derived from interest income, commercial rent and concessions, County contributions, state and federal grants, and management services. *Operating expenses* include costs for providing services and delivering goods such as administrative expenses and depreciation on capital assets. All other expenses not meeting this definition are reported as *nonoperating expenses*.

3. Special Items

Special items are transactions or events that are within the control of County Management and that are either unusual in nature or infrequent in occurrence.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

E. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers.

- Loans reported as receivables and payables are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in the applicable governmental funds to indicate that they are not in spendable form.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses.
- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

G. Implementation of Governmental Accounting Standards Board (GASB) Statements

In November 2016, the GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement is to address accounting and financial reporting for certain retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement is effective for the County’s fiscal year ended June 30, 2019 and there is no impact to the financial statements.

In April 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for the County’s fiscal year ended June 30, 2019. The County incorporated the provisions of this Statement in Note 10 of its financial statements.

The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. This Statement is to establish criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for the County’s fiscal year ending June 30, 2020.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

- In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement is to improve accounting and financial reporting for leases by governments. This Statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the consistency of information about governments' leasing activities. This Statement is effective for the County's fiscal year ending June 30, 2021.

- In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expenditure/expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. This Statement is effective for the County's fiscal year ending June 30, 2021.

- In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement is effective for the County's fiscal year ending June 30, 2020.

- In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the County's fiscal year June 30, 2022.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity/Net Position

At June 30, 2019, the IHSS Public Authority, a special revenue fund; the Tower Road Construction, the Workers' Compensation Insurance, and the Personal Injury and Property Damage internal service funds, reported net deficits of \$0.3 million, \$1.3 million, \$30.7 million, and \$39 thousand respectively.

IHSS Public Authority. This fund is supported by federal and State reimbursements for services rendered. The deficit is mainly due to delayed timing of those reimbursements, thus resulted insufficient revenues to offset operating expenditures in the current year.

Tower Road Construction. This fund has accumulated insufficient net position as a result of implementation of GASB Statement Nos. 68 and 75 for pension and other postemployment benefits, and a loan that is being repaid over time. The County is actively taking steps to cure the financial imbalance through staffing and spending reductions, review service charge billing rates, identify opportunities to increase efficiencies, and business process improvements.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Workers' Compensation Insurance. This fund has accumulated sufficient net position to pay for workers' compensation claims on a pay as you go basis. The County has sufficient General Fund reserve to cover the deficit in this fund as needed. In addition, the County will continue to phase in premium rate increases and work with departments to inhibit growth in operating costs.

Personal Injury and Property Damage. This fund has insufficient net position due to payout of some substantial cases in prior year, and will be cured through cost recoveries. The County has sufficient General Fund reserve to cover the deficit in this fund as needed.

NOTE 4 – CASH AND INVESTMENTS

The County investment pool includes both voluntary and involuntary participation from external public entities. Certain special districts and entities are required under State statutes to maintain their cash surplus in the pool. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Part of the JPFA's and SamCERA's cash and investments are deposited in and managed by outside financial institutions. As of June 30, 2019, the net asset value of involuntary participation in the investment pool was \$4.36 billion.

The investment pool activity is governed by the California Government Code and the County Investment Policy. The County Treasurer is responsible for managing the investment pool with deposits from the County, all County school districts, various districts, and some cities within the County pursuant to California Government Code Section 53600. The objectives of the County investment policy, in order of priority, are safety, liquidity, and yield. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles. The County Board annually reviews the County Investment Policy, and all amendments to the policy require the County Board's approval.

In accordance with Article 6 Section 27131 of the California Government Code, the County Board established an eight-member County Treasury Oversight Committee (Oversight Committee) to oversee the management of public funds in the investment pool. The Oversight Committee meets at least three times annually to evaluate general strategies, monitor results, and assess economic outlook, portfolio diversification, maturity structure, and potential risks to the funds. Monthly the County Treasurer prepares and submits a comprehensive investment report to the members of the County Board, the members of the Oversight Committee, and the investment pool participants. The report covers the type of investments in the pool, name of the issuer, maturity date, par value, actual cost, and fair value. Significant accounting policies for investments are discussed in Note 2.C.2. The maximum allowable maturity of instruments in the County pool at the time of investment is seven years and the maximum dollar weighted average maturity of the fund is three years.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Cash and cash equivalents:

Cash on hand - County	\$ 7,491
Certificates of deposit - County	1,005,822
Money market deposit accounts - JPFA	1,317
Cash and deposits - SamCERA	67,314
Deposits - County	(60,881) ¹
Cash deposits - HPSM	200,610 ²
Cash equivalents - HPSM	<u>41,250 ²</u>
Total cash	<u>1,262,923</u>

The County's Cash and investments are reported as follows:

Primary government	\$ 1,863,057
Discretely presented component unit - First 5	12,003
Discretely presented component unit - HPSM	404,020 ²
Pension trust fund	4,706,793
Investment trust fund	3,097,053
Agency funds	<u>447,607</u>
Total cash and investments	<u>\$ 10,530,533</u>

Investments:

In Treasurer's pool	4,530,978
With fiscal agents of the JPFA	51,885
In SamCERA's portfolio	4,625,679
In HPSM's portfolio	<u>60,475 ²</u>
Total investments	9,269,017
Perspective difference	<u>(1,407) ³</u>
	<u>9,267,610</u>
Total cash and investments	<u>\$10,530,533</u>

¹ At year-end, the carrying amount of the County's cash deposits was \$(60,881) and the bank balance was \$27,477. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

² HPSM's cash and investments were as of December 31, 2018.

³ Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2018 and June 30, 2019, which was \$101,584 and \$102,991, respectively.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Investments

The table below summarizes total investments reported as of June 30, 2019:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
Investments in Investment Pool					
U.S. treasury notes	0.75% - 2.00%	8/15/19 - 10/31/23	\$ 525,000	\$ 522,488	2.73
U.S. treasury bills	2.05% - 2.44%	7/25/19 - 2/27/20	174,000	172,736	0.32
U.S. government agency securities	0.87% - 2.87%	7/3/19 - 2/28/24	1,344,470	1,342,280	0.64
U.S. government agency securities - floating rate	2.33% - 2.58%	8/19/19 - 11/8/21	109,650	109,526	1.41
U.S. instrumentalities ²	1.37% - 2.60%	7/2/19 - 1/26/22	404,000	403,174	0.42
Corporate bonds	0.87% - 5.62%	7/12/19 - 8/11/22	714,844	718,530	1.39
Corporate bonds - floating rate	2.33% - 3.55%	9/6/19 - 5/16/22	203,786	204,084	1.52
Municipal bonds	3.25% - 3.40%	8/1/19 - 8/1/23	20,000	20,565	2.14
Money market funds	2.22%	**	14,886	14,886	*
Local Agency Investment Fund	2.43%	**	65,000	65,000	0.47 ¹
Commercial paper	2.24% - 2.83%	7/1/19 - 2/21/20	625,000	621,459	0.25
Repurchase agreements	2.40%	7/1/19	336,250	336,250	*
Total investments in investment pool			<u>\$ 4,536,886</u>	<u>4,530,978</u>	0.93
Investments outside of Investment Pool					
San Mateo Joint Powers Financing Authority					
U.S. treasury note				28,793	1.60 ⁴
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	7.40 ⁴
Guaranteed investment contract				5,470	2.00 ⁴
First American Treasury Obligations Fund				16,684	*
Subtotal				<u>51,885</u>	1.23
San Mateo County Employees' Retirement Association					
Commingled fixed income portfolio:					
Opportunistic Credit Funds ³				348,131	6.41
BlackRock Intermediate Government Bond				233,698	4.05
Fidelity Institutional Asset Management				281,073	7.98
Western Asset Management				136,575	7.14
Subtotal				<u>999,477</u>	6.40
Northern Institutional Liquid Asset Portfolio Cash Collateral Fund				403	**
Equity securities:					
Foreign stocks				428,200	**
U.S. common & preferred stock				295,824	**
Commingled funds:					
Domestic equity				566,741	**
International equity				346,941	**
Liquid pool				251,231	**
Domestic equity				145,208	**
International equity				64,933	**
U.S. common & preferred stock				74,560	**
Global bond				37,068	**
Real estate				380,726	**
Risk parity				389,039	**
Alternatives:					
Absolute return/hedge funds				243,016	**
Private equity				336,759	**
Private real asset				65,553	**
Subtotal				<u>3,626,202</u>	
Total SamCERA's investments				<u>4,625,679</u>	
Health Plan of San Mateo (as of December 31, 2018)					
Local Agency Investment Fund				60,475	0.47 ¹
Total investments outside of investment pool				<u>4,738,039</u>	
Total investments				<u>\$ 9,269,017</u>	

* Weighted average maturity (WAM) is less than 0.01 year.

** Not applicable or not available.

¹ WAM was computed using the average life from the Pooled Money Investment Account quarterly performance report as of June 30, 2019.

² U.S. instrumentalities are United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development.

³ Category consists of eight opportunistic credit funds managed by Angelo Gordon (two funds), Beach Point, Brigade Capital Management, Franklin Templeton, Tennenbaum Capital Partners, and PIMCO (two funds).

⁴ The JPFA's investments are measured at individual maturity in years.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

County Investment Pool

California Government Code and the County Investment Policy govern the investment pool activity. The composition and value of investments in the County pool vary from time to time depending on cash flow needs of the County and pool participants as well as trading of securities.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy. At June 30, 2019, the investment pool had a weighted average maturity of 0.93 years and its investment in floating rate securities was \$313.6 million which are tied to the three-month London Interbank Offered Rate (LIBOR) index.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law and the County's investment policy limit the County's investments in commercial paper to the rating of "A1" or better by Standard & Poor's, or "P1" or better by Moody's Investors Service, and corporate bonds to the rating of "A" or higher by both Standard & Poor's and Moody's Investors Service. No limits are placed on the U.S. government agency securities and U.S. Treasuries. The County's investment pool was unrated.

<u>Investment as of June 30, 2019</u>	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
U.S. Government Securities		
U.S. Treasury Securities	A1+	3.81%
U.S. Treasury Securities	AA+	11.53%
U.S. Instrumentalities	AAA	8.90%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	21.40%
Federal Home Loan Bank	AAA	0.00%
Federal Home Loan Mortgage Corporation	AA+	2.75%
Federal Home Loan Bank - Floating rate	AA+	0.88%
Federal Farm Credit Bank	AA+	1.74%
Federal Farm Credit Bank - Floating Rate	AA+	1.54%
Federal National Mortgage Association	AA+	3.73%
Corporate Bonds		
Corporate Bonds	AAA	0.62%
Corporate Bonds	AA+	0.52%
Corporate Bonds	AA	0.82%
Corporate Bonds	AA-	5.11%
Corporate Bonds	A+	4.41%
Corporate Bonds	A	2.42%
Corporate Bonds	A-	1.96%
Corporate Bonds - Floating Rate Securities	AA+	0.28%
Corporate Bonds - Floating Rate Securities	AA	0.22%
Corporate Bonds - Floating Rate Securities	AA-	1.16%
Corporate Bonds - Floating Rate Securities	A+	1.90%
Corporate Bonds - Floating Rate Securities	A	0.55%
Corporate Bonds - Floating Rate Securities	A-	0.40%
Municipal Bonds	AA-	0.45%
Money Market Funds	AAA	0.33%
Local Agency Investment Fund	Not rated	1.43%
Commercial Paper	A1	10.53%
Commercial Paper	A1+	3.19%
Repurchase Agreements	AA+	7.42%
Total		<u>100.00%</u>

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Custodial Credit Risk for Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, any deposits of more than \$0.25 million must be collateralized at 110% to 150% of the value of the deposit to guarantee the safety of the public funds. The first \$0.25 million of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$0.25 million insured amount are fully collateralized by Union Bank by pledging identifiable U.S. Government securities at 110% or more.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. State law and the County Investment Policy restrict the County's investments in U.S. Treasury Obligations to 100% of its portfolio (100% per issuer); Obligations of U.S. Agencies or government sponsored enterprises to 100% (40% per issuer); banker's acceptance to 15% (5% per issuer); collateralized time deposits within the State to 15% (5% per issuer), negotiable certificates of deposit, corporate bonds and medium-term notes to 30% (5% per issuer); commercial paper to 40% (5% per issuer); repurchase agreements secured by U.S. Treasury or agency obligation to 100% (100% per issuer for U.S. Treasuries and 40% per issuer for agency obligations); shares of beneficial interest issued by diversified management companies as defined in Government Code section 53601 to 10% (5% per issuer); and mortgage backed securities to 20% (5% per issuer). As of June 30, 2019, the investment pool has more than 5% of its total investments with the following issuer: 22.28% in Federal Home Loan Bank.

Foreign Currency Risk. Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair values of an investment or deposit. The County's investment policy does not include specific provisions to address foreign currency risk because the County's investment pool does not invest in foreign securities.

The County's investment pool is invested in the State of California Local Agency Investment Fund (LAIF), which is part of the State of California Pooled Money Investment Account (PMIA). As of June 30, 2019, the PMIA balance was \$105.7 billion, of which 1.49% is in structured notes and medium-term asset backed securities, and 0.28% in short-term asset-backed commercial paper. The total amount invested by all public agencies in LAIF was \$23.9 billion, while the County's investment in LAIF was \$65.0 million and HPSM's investment in LAIF was \$60.5 million. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. PMIA is not SEC-registered, but is required to invest according to the California Government Code. The average maturity of PMIA investments was 173 days as of June 30, 2019. The Local Investment Advisory Board, which consisted of five members designated by State statutes, has oversight responsibility for LAIF.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

County Investment Pool Condensed Financial Information

Below is the condensed statement of the investment pool as of June 30, 2019:

Statement of Net Position

Assets:	
U.S. treasury notes	\$ 522,488
U.S. treasury bills	172,736
U.S. government agency securities	1,342,280
U.S. government agency securities - floating rate	109,526
U.S. instrumentalities	403,174
Corporate bonds	718,530
Corporate bonds - floating rate	204,084
Municipal bonds	20,565
Money market funds	14,886
Local Agency Investment Fund	65,000
Commerical paper	621,459
Repurchase agreements	336,250
Total investments	<u>4,530,978</u>
Other assets	29,093
Pool deposits	27,477
Total assets	<u>4,587,548</u>
Liabilities:	
Unfunded checks and warrants	88,358
Other liabilities	2,243
Total liabilities	<u>90,601</u>
Net Position:	
Equity of internal pool participants	1,373,044
Equity of external pool participants	3,123,903
Total net position	<u>\$ 4,496,947</u>

Statement of Changes in Net Position

Net position at July 1, 2018	\$ 4,515,191
Net change in investments by pool participants	<u>(18,244)</u>
Net position at June 30, 2019	<u>\$ 4,496,947</u>

The net position composition of the equity of external pool participants is as follows:

Participant units outstanding (one dollar par value)	\$ 4,476,731
Undistributed and unrealized gain	20,216
Net position at June 30, 2019	<u>\$ 4,496,947</u>

Participant net position at fair value price per share (\$4,496,947 divided by 4,476,731 units)	<u>\$ 1.0045</u>
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COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

JPFA's Investment Portfolio

All moneys held by the JPFA's trustee are invested in "permitted investments" as defined in the Trust Agreement.

Interest Rate Risk. The JPFA has not adopted a formal policy that limits investment maturity as a means of managing its exposure to declines in fair values arising from increasing interest rates. As of June 30, 2019, the JPFA's investment portfolio had a weighted average maturity of 1.58 years.

Credit Risk. The JPFA's bond trust agreements include provisions which restrict the JPFA's investment in (a) money market mutual funds rated "AAM" or "AAM-G" by Standard & Poor's, or better; (b) repurchase agreements with any domestic bank the long-term debt of which is rated at least "A" or better by Standard & Poor's Corporation and Moody's Investors Service; (c) specific obligations of government sponsored agencies which are not backed by the full faith and credit of the United State of America, and (d) investment agreements. As of June 30, 2019, the JPFA's money market mutual fund was rated "Aaa-mf" by Moody's Investors Service. The repurchase agreement with the Hong Kong and Shanghai Banking Corporation was rated "Aa3" by Moody's Investors Service. The U.S. treasury note was rated "AA+" by Standard & Poor's, "Aaa" by Moody's Investors Service, and "AAA" by Fitch. The remaining investments were unrated including the investment contract with Financial Guaranty Insurance Company Capital Market Services Group.

Concentration of Credit Risk. The JPFA places no limit on the amount invested in any one issuer. At June 30, 2019, the JPFA has \$0.9 million, or 0.4%, of its total investments in repurchase agreements with the Hong Kong and Shanghai Banking Corporation; \$28.8 million, or 12%, in a U.S. Treasury Note; and \$5.5 million, or 2%, in a guaranteed investment contract with Financial Guaranty Insurance Company Capital Market Services Group.

SamCERA's Investment Portfolio

Investments. The Board of Retirement has exclusive control of SamCERA's investments. The County Employees Retirement Law of 1937 (the CERL – a component of the California Government Code) authorizes the Board of Retirement to invest, or delegate the authority to invest, the assets of SamCERA in any investment allowed by statutes and deemed prudent in the informed opinion of the Board of Retirement. SamCERA records investment transactions on the trade date. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent appraisal is obtained once every quarter to determine the fair market value of the real estate assets. Private equity and real assets are reported in SamCERA's financial statements based on the fair value provided by the General Partner on a quarterly basis. The management assumptions are based upon the nature of the investment and the underlying business. Risk parity, hedge funds, and commodities are reported based on the fair value provided by a third party administrator.

Investment Policy. The investment policy of SamCERA seeks to optimize long-term returns within acceptable risk parameters. The Board periodically reviews the asset allocation in response to changing market conditions that may affect forward-looking expected returns of asset classes. During the fiscal year, SamCERA continued to make progress towards the asset allocation policy that was approved by the Board in the prior fiscal year's asset allocation review. SamCERA funded two new low-volatility equity mandates and one public real assets mandate, and also made a commitment to one new partnership within its fixed income category.

Foreign Currency Transactions. Gains and losses resulting from foreign currency transactions are recorded as a component of investment income. Gains and losses from translation of international investments at fiscal year-end rates of exchange are included in investment income. Forward currency contracts are used by investment managers to control currency exposure and facilitate the settlement of international security purchase and sale transactions. These contracts are agreements to exchange different currencies at specified rates and settlement dates. Differences between the contract and market exchange rates at settlement result in gains and losses, which are included in net investment income. Risks may arise from the possible inability of counterparties to meet the terms of their contracts and from movements in exchange and interest rates.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Security Lending Activity. Security lending transactions are short-term collateralized loans of SamCERA securities for the purpose of generating additional investment income. For each lending transaction, SamCERA receives either cash collateral or non-cash collateral. The underlying securities out on loan are reported on SamCERA's statements of plan net position as if the lending transaction had not occurred.

In accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transaction*, cash collateral held (or any security that can be sold or pledged without a borrower default) is separately reported on the statements of fiduciary net position among the current assets. A corresponding liability of an equal amount, which represents the obligation to return the cash collateral, is reported as a liability. Non-cash collateral held that cannot be sold or pledged without a borrower default is not reported on the statement of fiduciary net position.

Custodial Credit Risk - Deposits. SamCERA has no general policy on custodial credit risk for deposits. SamCERA maintains cash deposits to support its investment activities and operational needs. At June 30, 2019, cash held with a financial institution in a pooled money market fund totaled \$14.2 million and cash held in the County's investment pool was \$13.8 million. Cash held by investment managers at year end amounted to \$5.1 million, which is swept daily into a pooled short-term investment fund. The deposits are not exposed to custodial credit risk as they are eligible and covered by insurance in accordance with applicable law and Federal Deposit Insurance Corporation rules and regulations. However, \$0.6 million held with the Northern Trust Company is uninsured and uncollateralized. Thus, it is subject to custodian credit risk.

Investment Risk. SamCERA's investments are managed by independent investment management firms subject to the guidelines and controls specified in the SamCERA's investment policy and contracts. SamCERA uses a third party institution to serve as an independent custodian over the pension plan's investments. The guidelines stipulate the investment style, performance objective, performance benchmarks, and portfolio characteristics.

Interest Rate Risk. SamCERA has investments in twelve external investment pools containing debt securities. SamCERA's investment policy does not have a formal policy that limits investment duration as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. SamCERA's investment policy seeks to maintain a diversified portfolio of fixed income instruments to obtain the highest total return for the fund at an acceptable level of risk within the asset class. To control credit risk, credit quality guidelines have been established for separately managed accounts. The table below summarizes the credit breakdown of SamCERA's investments in bonds.

<u>Credit Risk</u>	<u>Commingled Management</u>
AAA	46.2%
AA	2.8%
A	8.7%
BBB	6.0%
Less than BBB	25.2%
Not rated	<u>11.1%</u>
	<u><u>100.0%</u></u>

Custodial Credit Risk - Investments. The individual investment guidelines for each investment manager require that managed investments be held in the name of SamCERA. The master custodian may rely on sub-custodians. The custodial requirement does not apply to real estate investments and investments in pools. As of June 30, 2019, SamCERA had no investments that were exposed to custodial credit risk because all securities held by SamCERA's custodian bank are in SamCERA's name.

Foreign Currency Risk. SamCERA's investment policy allows forward currency contracts and currency futures as defensive currency hedging to mitigate foreign currency risk on the portfolio. International equity and global bond managers are permitted to invest in authorized countries.

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The table below shows the fair value of investments in U.S. dollars that are exposed to foreign currency risk as of June 30, 2019, by investment type and currency denomination.

Country	Common Stock	Foreign Currency	Total
Australia	\$ 13,651	\$ 114	\$ 13,765
Brazil	3,213	-	3,213
Canada	5,326	752	6,078
Switzerland	20,807	-	20,807
Denmark	7,826	-	7,826
Europe	100,014	168	100,182
United Kingdom	79,246	(83)	79,163
Hong Kong	20,752	-	20,752
India	11,001	22	11,023
Japan	87,656	229	87,885
South Korea	1,089	-	1,089
Mexico	1,615	-	1,615
Malaysia	2,518	-	2,518
Sweden	17,771	(244)	17,527
Singapore	16,083	-	16,083
South Africa	6,933	-	6,933
Total	<u>\$395,501</u>	<u>\$ 958</u>	<u>\$396,459</u>

Concentration of Credit Risk. SamCERA's investment policy has no general policy on the concentration of credit risk. As of June 30, 2019, SamCERA does not have investments in a single issuer with five percent or more of SamCERA's fiduciary net position.

Derivatives. SamCERA currently employs external investment managers to manage its assets as permitted by the California Government Code and SamCERA's Investment Policy. Specific managers hold investments in swaps, options, futures, forward settlement contracts, and warrants, and enter into forward foreign currency exchange security contracts within fixed income financial instruments. SamCERA held derivatives with a negative notional amount of \$203.7 million and a fair value of \$0.1 million at June 30, 2019 in the statement of fiduciary net position as part of the cash management overlay and inflation hedge. Changes in fair value during FY 2019 are reported in the statement of changes in fiduciary net position as a component of investment income. All derivatives held are investment derivatives and none of them are hedging derivatives.

Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occur on the following business day through variation margins. The fair values of options, futures, and warrants is determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps and "to-be-announced" mortgage-backed securities, is determined by an external pricing service using various proprietary methods based upon the type of derivative instrument.

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The fair values of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the specified contract exchange rate and the exchange rate at the end of the reporting period. Further disclosure on the derivative positions held at fiscal year-end are contained in the table below.

<u>Investment Derivatives as of June 30, 2019</u>	<u>Notional Value</u>	<u>Fair Value (Level 2)</u>
Interest rate contracts - short	\$ 7,551	\$ (8)
Foreign exchange contracts - short	137,637	(201)
Foreign exchange contracts - long	3,751	3
Equity contracts - long	<u>54,717</u>	<u>331</u>
Total	<u>\$ 203,656</u>	<u>\$ 125</u>

Custodial Credit Risk - Derivatives. As of June 30, 2019, SamCERA’s derivatives were not subject to custodial credit risk. However, they are subject to other risks.

Credit Risk - Derivatives. SamCERA is exposed to credit risk on investment derivatives that are traded over the counter and are reported in asset positions. Derivatives exposed to credit risk include credit default and interest rate swaps, currency forward contracts, rights, warrants and “to-be-announced” transactions. To minimize credit risk exposure, SamCERA’s investment managers continuously monitor credit rating of counterparties. Should there be a counterparty failure, SamCERA would be exposed to the loss of fair value of derivatives that are in asset positions and any collateral provided to the counterparty, net of the effect of applicable netting arrangements. SamCERA does not have a general investment policy with respect to netting arrangements or collateral requirements. In the event of bankruptcy or default by the counterparty, netting arrangements legally provide SamCERA with a right of offset.

Securities Lending Activity. Securities lending transactions are short-term collateralized loans of SamCERA’s securities for the purpose of generating additional investment income. SamCERA has a securities lending agreement in place that authorizes its securities lending agent to lend SamCERA’s securities to broker-dealers and banks pursuant to a loan agreement. For each type of security loaned, SamCERA receives cash or non-cash collateral. SamCERA invests the cash and receives earnings on it in exchange for paying a loan rebate fee to the borrower. In the case of non-cash collateral, the borrower pays SamCERA a loan premium. As of June 30, 2019, the fair value of securities on loan reported and the total collateral held amounted to \$7.3 million and \$7.5 million (with \$0.4 million in cash collateral and \$7.1 million in non-cash collateral), respectively.

Securities Lending Collateral Credit Risk. All of the cash collateral received for securities lending is invested in the Northern Institutional Liquid Assets Portfolio (NILAP) Cash Collateral Fund (the Fund), which is not rated by credit rating agencies. The Fund seeks to maintain a stable net position value per share of \$1 by valuing its Fund using an amortized cost method and complying with the requirements of Rule 2(a)-7.

Securities Lending Collateral Interest Rate Risk. The Fund’s average effective duration is restricted to 90 days or less. As of June 30, 2019, the Fund had an interest sensitivity of 26 days.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

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- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The County's cash equivalents and investments by fair value level as of June 30, 2019, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
U.S. treasury notes	\$ 551,281	\$ -	\$ 551,281
U.S. treasury bills	172,736	-	172,736
U.S. government agency securities	1,342,280	-	1,342,280
U.S. government agency securities - floating rate	109,526	-	109,526
U.S. instrumentalities	403,174	-	403,174
Corporate bonds	718,530	-	718,530
Corporate bonds - floating rate	204,084	-	204,084
Municipal bonds	20,565	-	20,565
Money market funds	14,886	14,886	-
Commercial paper	621,459	-	621,459
Repurchase agreements	337,188	-	337,188
Guaranteed investment contract	5,470	-	5,470
Mutual funds	16,684	-	16,684
Collateral from securities lending	403	-	403
Equity securities:			
Foreign stocks	428,200	428,200	-
U.S. common & preferred stock	370,384	370,384	-
Commingled funds:			
Domestic bond	495,124	87,783	407,341
Domestic equity	566,741	-	566,741
International equity	346,941	-	346,941
Liquid pool	251,231	-	251,231
Total investments subject to fair value hierarchy	6,976,887	\$ 901,253	\$ 6,075,634
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	125,475		
Investments measured at the net asset value (NAV)			
Domestic bond funds	499,069		
Global bond funds	42,352		
Domestic equity funds	145,208		
International equity funds	64,933		
Real estate funds	380,726		
Risk parity funds	389,039		
Absolute return/hedge funds	243,016		
Private equity funds	336,759		
Private real asset funds	65,553		
Total investments measured at NAV	2,166,655		
Total investments	\$ 9,269,017		

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Notes to the Basic Financial Statements (Continued)
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<u>Investments measured at NAV</u>	<u>6/30/2019</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Domestic bond funds ⁽¹⁾	\$ 499,069	\$ -	Daily, quarterly	15-90 days
Global bond funds ⁽¹⁾	42,352	-	Monthly	15 days
Domestic equity funds ⁽¹⁾	145,208	-	Daily	1-5 days
International equity funds ⁽¹⁾	64,933	-	Daily	1-10 days
Real estate funds ⁽²⁾	380,726	27,200	Quarterly, not eligible	45 days
Risk parity funds ⁽³⁾	389,039	-	Monthly	15 days
Hedge funds/absolute return ⁽⁴⁾	243,016	-	Semi-monthly, monthly	5-75 days
Private equity funds ⁽⁵⁾	336,759	191,500	Not eligible	Not applicable
Private real asset funds ⁽⁵⁾	65,553	120,600	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 2,166,655</u>	<u>\$ 339,300</u>		

⁽¹⁾ *Bond and Equity Funds.* This type includes eight domestic bond funds, one global bond fund, one domestic equity fund, and one international equity fund that is considered to be in commingled in nature. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

⁽²⁾ *Real Estate Funds.* This type includes three real estate funds that invest primarily in a diversified portfolio of institutional quality multi-family, industrial, retail and office assets in the United States. This type also includes one real estate debt fund that originates loans primarily across a diversified portfolio of institutional quality multifamily, industrial, retail, office and specialty assets. The fair values of the investments in these types have been determined using the NAV (or its equivalent) of the Plan's ownership interest in partners' capital. One investment has quarterly liquidity, one is subject to an initial 2-year lock-up with quarterly liquidity thereafter while the other two are ineligible for redemption.

⁽³⁾ *Risk Parity Funds.* This type includes two risk parity funds that seek to generate returns from a risk diversified portfolio of asset exposures. The fair values of the investments in this type have been determined using the NAV (or its equivalent) of the plan's ownership interest in partners' capital. The funds can be redeemed on a monthly basis.

⁽⁴⁾ *Hedge Funds/Absolute Return.* This strategy consists of two multi-strategy absolute return/hedge funds. One fund delivers efficient exposure to a well-diversified portfolio of hedge fund strategies and the other builds a broad range of return-seeking positions (i.e. multi-strategy) with high underlying liquidity that incorporates multiple risk views.

⁽⁵⁾ *Private Equity and Real Asset Funds.* This type includes twenty-four private equity funds, investing primarily in buyout funds, venture capital, and debt/special situations. This type also includes ten Private Real Asset funds, investing in infrastructure, mining finance, solar, energy, and farmland. The fair values of these funds have been determined using net assets values one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments with the funds are liquidated, which on average can occur over the span of 5 to 10 years.

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Notes to the Basic Financial Statements (Continued)
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(In Thousands)

NOTE 5 – RECEIVABLES

As of June 30, 2019, receivables of the County’s major funds, nonmajor funds in aggregate, and internal service funds in aggregate, including allowances for uncollectible accounts, are listed below. The General Fund has a net receivable of \$200.9 million, of which about \$149.9 million is not expected to be collected within the next twelve months.

<u>Governmental Activities</u>	General Fund	JPFA	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 295,976	\$ -	\$ 469	\$ 455	\$ 296,900
Interest	28,947	1,817	1,636	343	32,743
Taxes	35,065	-	2,135	-	37,200
Mortgages	136,061	-	-	-	136,061
Advances	1	-	-	-	1
Other	22,389	-	-	-	22,389
Gross receivables	518,439	1,817	4,240	798	525,294
Less: allowances for uncollectibles	(317,522)	-	(1,003)	-	(318,525)
Total receivables, net	<u>\$ 200,917</u>	<u>\$ 1,817</u>	<u>\$ 3,237</u>	<u>\$ 798</u>	<u>\$ 206,769</u>

<u>Business-type Activities</u>	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 65,457	\$ 5	\$ 97	\$ 65,559
Grant	348	-	-	348
Interest	1,785	138	21	1,944
Other	4,635	-	-	4,635
Gross receivables	72,225	143	118	72,486
Less: allowances for uncollectibles	(44,010)	-	(43)	(44,053)
Total receivables, net	<u>\$ 28,215</u>	<u>\$ 143</u>	<u>\$ 75</u>	<u>\$ 28,433</u>

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The governmental fund financial statements report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues that are not available when they are not collectible within the current period or soon enough thereafter to pay for liabilities of the current period. The County reports a liability for unearned revenue in connection with resources that have been received, but not yet earned. As of June 30, 2019, the various components of unavailable revenue and unearned revenue reported were as follows:

<u>Governmental Activities</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Property taxes	\$ 828	\$ 18,569	\$ 19,397
Intergovernmental revenues	91,345	41,530	132,875
Mortgage and related interest	137,615	-	137,615
SB 90 mandated costs	569	-	569
Others	4,877	7,238	12,115
	<u>235,234</u>	<u>67,337</u>	<u>302,571</u>
Nonmajor Governmental Funds			
Property taxes	50	1,131	1,181
Intergovernmental revenues	1,320	36	1,356
Capital Projects Funds			
Intergovernmental revenues	-	22	22
	<u>1,370</u>	<u>1,189</u>	<u>2,559</u>
Internal Service Funds	-	235	235
	<u>-</u>	<u>235</u>	<u>235</u>
Total Governmental Activities	<u>\$ 236,604</u>	<u>\$ 68,761</u>	<u>\$ 305,365</u>
 <u>Business-type Activities</u>			
San Mateo Medical Center		\$ 1,103	\$ 1,103
Housing Authority		12	12
Nonmajor Enterprise Funds		27	27
Total Business-type Activities		<u>\$ 1,142</u>	<u>\$ 1,142</u>

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables may result from services rendered by one fund to another fund, or from interfund loans. “Due from” and “due to” balances are generally used to reflect short-term interfund receivables and payables whereas “advance to” and “advance from” balances are for long-term.

Due to/from other funds

All the interfund balances presented below resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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The table below summarizes the County's interfund receivables and payables as of June 30, 2019:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 205
	Internal Service Funds	307
		<u>512</u>
Nonmajor Governmental Funds	General Fund	1,871
	Nonmajor Governmental Funds	2
	Medical Center	27
		<u>1,900</u>
Internal Service Funds	Internal Service Funds	14
	Total	<u>\$ 2,426</u>

Advances to/from other funds

Advances from the General Fund are comprised of the following as of June 30, 2019:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	JPFA	\$ 170
	Nonmajor Governmental Funds	5,942
	Medical Center	944
	Internal Service Fund	785
	Subtotal	<u>7,841</u>
Nonmajor Governmental Funds	JPFA	<u>15</u>
	Total	<u>\$ 7,856</u>

- \$0.2 million was advanced to JPFA in November 2018 in connection of the 2019 Series A Lease Revenue Bonds (Forward Refunding) (the "2019 Bonds"). The monies were used to pay partial costs of issuance which will be repaid to the County General Fund subsequent to the issuance of the 2019 Bonds.
- At the beginning of fiscal year 18-19, \$6.2 million was advanced to Crystal Springs Sanitation District to construct the Crystal Springs/El Cerrito Trunk Sewer to improve performance and capacity of sewer facilities. During the fiscal year, Crystal Springs Sanitation District paid \$0.4 million to the County General Fund, and the outstanding balance will be repaid over a twenty-year period with 2.10% interest from revenues of the Crystal Springs Sanitation District. In October 2018, \$0.1 million, of the authorized \$0.2 million, was advanced to Belmont Highway Lighting District to replace lighting fixtures. Belmont Highway Lighting District will repay the amount no later than thirty years with 1.925% fixed interest rate.
- \$0.9 million represents a 10% reserve on Behavioral Health programs operated by the Medical Center. This reserve will be returned by the Medical Center to the Behavioral Health department when the P14 audit by the California Department of Health Care Services is completed. The P14 audit is not scheduled to be completed over the next several years.
- \$0.8 million outstanding advance resulted from three separate advances (\$0.3 million in June 2009, \$0.5 million in June 2010, and \$0.6 million in June 2011) to the Tower Road Construction Fund to cover cash deficits at year-end offset by a \$0.6 million payment against advances.

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NOTE 7 – INTERFUND TRANSFERS

Transfers are indicative of funding for capital projects, lease or debt service payments, subsidies, and revenue reallocations. The following schedules briefly summarize the County’s transfer activities:

(a) Between Governmental and Business-type Activities:

Transfer from	Transfer To	Amount	Purpose
General Fund	Medical Center	\$ 58,122	Provide subsidy to support indigent healthcare as budgeted.
General Fund	Nonmajor Enterprise Funds	114	Transfer funds to finance capital projects.
Medical Center	Nonmajor Governmental Funds	<u>10,453</u>	Transfer funds to cover lease payments.
	Total	<u>\$ 68,689</u>	

(b) Between Funds within Governmental Activities⁽¹⁾:

Transfer from	Transfer To	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 35,631	Provide funds to finance County capital projects.
	Nonmajor Governmental Funds	38,547	Transfer funds to cover lease payments.
	Nonmajor Governmental Funds	<u>3,702</u>	Contribute funds to support in-home supportive services.
	Subtotal	<u>77,880</u>	
General Fund	Internal Service Funds	<u>4</u>	Provide subsidy to finance retiree health benefits.
Nonmajor Governmental Funds	General Fund	929	Transfer funds to cover rent surcharges.
	General Fund	1,003	Contribute funds to support Commute Alternatives Program cost
	General Fund	9,178	Transfer funds to support San Mateo County Fire program.
	General Fund	<u>1,579</u>	Provide funds to finance County capital projects.
	Subtotal	<u>12,689</u>	
Nonmajor Governmental Funds	Nonmajor Governmental Funds	3,829	Transfer funds to cover lease payments.
	Nonmajor Governmental Funds	2,285	Transfer funds to finance capital improvements.
	Nonmajor Governmental Funds	<u>1,506</u>	Transfer funds to cover debt service payments.
	Subtotal	<u>7,620</u>	
Nonmajor Governmental Funds	JPFA	<u>50,272</u>	Transfer funds to cover debt service payments.
Nonmajor Governmental Funds	Internal Service Funds	<u>3,532</u>	Transfer funds to finance capital improvements.
Internal Service Funds	General Fund	<u>21</u>	Provide funds to support Sheriff’s driver’s training program.
Internal Service Funds	Nonmajor Governmental Funds	4	Transfer funds to finance capital projects.
	Nonmajor Governmental Funds	<u>4</u>	Transfer funds to cover lease payments.
	Subtotal	<u>8</u>	
	Total	<u>\$ 152,026</u>	

⁽¹⁾ In the consolidation of the governmental activities, these transfers are eliminated in the government-wide statement of activities.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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NOTE 8 – CAPITAL ASSETS

Capital asset activities for the fiscal year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2019
Governmental activities					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 97,595	\$ -	\$ -	\$ -	\$ 97,595
Infrastructure - maintained road subsystem	92,014	-	-	2,549	94,563
Construction in progress	75,242	80,437	(173)	(10,350)	145,156
Total capital assets, not being depreciated	264,851	80,437	(173)	(7,801)	337,314
<i>Capital assets, being depreciated:</i>					
Infrastructure	102,675	-	-	524	103,199
Structures and improvements	895,748	541	-	8,419	904,708
Equipment	107,525	10,110	(4,734)	-	112,901
Software	18,254	78	(5)	-	18,327
Total capital assets, being depreciated	1,124,202	10,729	(4,739)	8,943	1,139,135
<i>Less accumulated depreciation for:</i>					
Infrastructure	(37,338)	(2,350)	-	-	(39,688)
Structures and improvements	(223,295)	(18,183)	-	-	(241,478)
Equipment	(85,555)	(7,830)	4,669	-	(88,716)
Software	(12,697)	(2,625)	-	-	(15,322)
Total accumulated depreciation	(358,885)	(30,988)	4,669	-	(385,204)
Total capital assets, being depreciated, net	765,317	(20,259)	(70)	8,943	753,931
Governmental activities capital assets, net	\$ 1,030,168	\$ 60,178	\$ (243)	\$ 1,142	\$ 1,091,245
Business-type activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,247	\$ -	\$ -	\$ -	\$ 14,247
Construction in progress	4,984	6,462	(777)	(3,875)	6,794
Total capital assets, not being depreciated	19,231	6,462	(777)	(3,875)	21,041
<i>Capital assets, being depreciated:</i>					
Structures and improvements	89,065	-	-	1,265	90,330
Equipment	22,277	5	(643)	1,866	23,505
Software	16,000	-	-	744	16,744
Total capital assets, being depreciated	127,342	5	(643)	3,875	130,579
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(40,367)	(1,810)	-	-	(42,177)
Equipment	(10,071)	(1,474)	382	-	(11,163)
Software	(14,922)	(513)	-	-	(15,435)
Total accumulated depreciation	(65,360)	(3,797)	382	-	(68,775)
Total capital assets, being depreciated, net	61,982	(3,792)	(261)	3,875	61,804
Business-type activities capital assets, net	\$ 81,213	\$ 2,670	\$ (1,038)	\$ -	\$ 82,845

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Depreciation

Depreciation expense was charged to various functions or activities as follows:

<u>Governmental Activities</u>	
General government	\$ 4,964
Public protection	16,642
Public ways and facilities	1,096
Health and sanitation	3,131
Public assistance	1,390
Recreation	1,503
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets.	2,262
Total depreciation - governmental activities	<u>\$30,988</u>
<u>Business-type Activities</u>	
Medical Center	\$ 2,273
Housing Authority	602
Airports	608
Coyote Point Marina	314
Total depreciation - business-type activities	<u>\$ 3,797</u>

Capital Project Commitments

The County had eight major capital project underway in FY 2018-19 as follows:

Skylonda Fire Station

In August 2013, the JPFA issued the 2013 Bonds totaling \$40 million. A portion of the proceeds of the 2013 Bonds was used for capital improvements to the Skylonda Fire Station located on Skyline Boulevard in the Town of Woodside, California. This project will replace the existing barracks and offices at Station 58 and adds a community room in a new 6,000 square foot facility. The fire station will house two engines (a paramedic engine and a wildland engine) and serves the communities of Skylonda, Kings Mountain, La Honda, Upper Woodside, Alpine Road, Middleton Tract, and Skyline Boulevard. The project underwent a series of framing modifications which are mostly complete. The project is at substantial completion and total project cost is estimated to be \$9.9 million with anticipated completion by December 2019.

Regional Operations Center

Regional Operations Center (ROC) is the new 37,000 square foot, two-story building located on the County Center campus. The ROC will serve as a hub for public safety responders during major catastrophic events. It is constructed to withstand violent shaking from an earthquake with redundant electrical, water and other systems. The building will achieve Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council. The project is at substantial completion and total project cost is estimated to be \$64.5 million with anticipated completion by November 2019.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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Sanchez Adobe

The Sanchez Adobe Visitor Center will enhance the educational experience while visitors explore the Mission Dolores Outpost from the late 1700's and the Don Francisco Sanchez adobe residence built in 1842. Sanchez Adobe held many field trips and special programs such as the Rancho Day Fiesta in September. The visitor's center will be designed to educate visitors and students about the colorful history of the location through interactive events such as brick making and corn grinding demonstration. The project is estimated to be \$2.0 million with anticipated completion by November 2019.

Animal Shelter

Construction of a new Animal Shelter will include added square footage, mechanical enhancements necessary to ensure proper and humane animal care. An upgraded Heating Ventilation Air Conditioning (HVAC) unit and a Photovoltaic System to meet a required air exchange for the animals and to meet the County Municipal Green Building Policy. The project estimated to be \$26.6 million with anticipated completion by mid-2020.

Parking Structure 2

The new Parking Structure 2 (PS2) is to be located at the former jury parking lot, will add 1,022 additional parking stalls over 7 levels. PS2 will support the demand for parking on the County Center campus. Consistent with the County Municipal Green Building Policy, PS2 will be designed to operate at zero net energy (ZNE). The project estimated to be \$47.2 million with anticipated completion by the end of 2020.

County Office Building 3

County Office Building 3 (COB3) will be an elevated structure, contain four levels of offices and shared amenities. The ground level will consist of outdoor public space with a multi-function board chambers for public meetings and events. This property will house the Board of Supervisors Chambers, offices for the Board and County Manager as well as staff for various departments of the County. Consistent with the County Municipal Green Building Policy, COB3 will be designed to operate at ZNE to achieve certification in LEED. The project has begun in August 2019 with targeted substantial completion at the end of 2020. The estimated project costs are \$152 million, of which \$96 million was funded by the 2018 Lease Revenue Bonds.

San Mateo County Health Campus Upgrade aka "Medical Center Upgrade"

The San Mateo County Health System Campus consists of the San Mateo Medical Center and Health Services departments. The San Mateo Health System Campus Upgrade Project is a complex project comprised of: (1) demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Tower and the Central Plant to accommodate essential Office of Statewide Health Planning Development (OSHPD) functions; and (3) construction of a new 70,000 SF non-OSHPD administration building to support hospital functions. Consistent with the County Municipal Green Building Policy, upgrades and construction will be designed to operate at ZNE and to achieve LEED certification. This project will occur in phases with the project completion estimated for December 2021. The estimated project cost is \$120 million.

Cordilleras Mental Health Facility

The Cordilleras Mental Health Facility will include 117-bed psychiatric facility serving mentally ill residents. The new facility will provide state-of-the-art care and rehabilitation for the County's most vulnerable mentally ill residents in a serene natural setting. Consistent with the County Municipal Green Building Policy, Cordilleras will be designed to operate at ZNE and to achieve LEED certification. This project will occur in phases with the project completion estimated for December 2022. The estimated project cost is \$130.8 million.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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NOTE 9 – LEASES

The County occupies a number of non-County owned office buildings and facilities to conduct its business under non-cancelable operating leases. Total rental paid for these leases was approximately \$15.4 million for the fiscal year ended June 30, 2019, and the future minimum lease payments are as follows:

Governmental Activities		Component Units	
First 5 San Mateo County			
Fiscal year ending June 30,		Fiscal year ending June 30,	
2020	\$ 15,032	2020	\$ 90
2021	13,493	2021	92
2022	11,725	2022	31
2023	11,241	Total	\$ 213
2024	9,832		
2025-2029	19,202		
2030-2034	6,979		
2035-2039	6,811		
2040-2041	2,724		
Total	\$ 97,039		

The County also leases various County-owned properties to other entities under non-cancelable operating leases. Income from these rental activities amounted to \$0.6 million for the fiscal year ended June 30, 2019.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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NOTE 10 – LONG-TERM LIABILITIES

The County's long-term liabilities as of June 30, 2019, are as follows:

<u>Type of indebtedness (purpose)</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2019</u>
<u>Governmental Activities</u>					
<u>Lease Revenue Bonds:</u>					
<u>1993 Issue</u>					
Purpose: To defease 1991 Certificates of Participation and finance the costs of a parking garage and jail.					
Term Current Interest Bonds	7/1/19 - 7/1/21	5% - 6%	\$4,450 - \$5,205	\$ 23,520	\$ 14,840
<u>1993 Issue - Satellite Clinic</u>					
Purpose: To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.					
Serial Capital Appreciation Bonds	9/1/19 - 9/1/26	5.9% - 6%	\$188 - \$227	2,085	1,625
Accreted interest on capital appreciation bonds				8,941	5,506
1993 Issue - Satellite Clinic				<u>11,026</u>	<u>7,131</u>
<u>2009 Issue</u>					
Purpose: To provide funds, together with other available moneys, to refund a portion of the outstanding 1997 Bonds and the outstanding 1999 Bonds (collectively, the "Prior Bonds"), to pay costs of issuance of the 2009 Bonds, and to pay other costs relating to the refunding of the Prior Bonds.					
Serial Current Interest Bonds	7/15/19 - 7/15/26	4% - 5.25%	\$7,165 - \$8,990	115,505	62,900
<u>2013 Issue</u>					
Purpose: To provide funds, together with other available moneys, (i) to redeem outstanding 1997, 1999, and 2001 Bonds, (ii) to finance certain capital improvements, and (iii) to pay costs of issuance of the 2013 Bonds.					
Serial Current Interest Bonds	7/15/19 - 7/15/32	4.25% - 5.25%	\$550 - \$10,320	40,065	34,150
<u>2014 Issue</u>					
Purpose: To provide funds, together with other available moneys, (i) to finance the acquisition, construction and equipping of the Maple Street Correctional Center, (ii) to refund all of the outstanding notes previously issued by the County in FY 2013-14, the proceeds of which were used to reimburse the County for the purchase price of the jail project site, (iii) to pay capitalized interest on the 2014 Bonds through May 30, 2016, (iv) to provide the Reserve Account Requirement, and (v) pay issuance costs of the 2014 Bonds.					
Serial Current Interest Bonds	6/15/20 - 6/15/31	3% - 5%	\$5,675 - \$14,690	157,895	105,155
Term Interest Bonds	6/15/32 - 6/15/35	4%	\$2,500 - \$5,010	15,145	15,145
Term Interest Bonds	6/15/36 - 6/15/37	4%	\$495 - \$1,530	2,025	2,025
2014 Issue				<u>175,065</u>	<u>122,325</u>
<u>2016 Issue</u>					
Purpose: To provide funds, together with other available moneys, to refund the outstanding 2008 Bonds, to pay costs of issuance of the 2016 Bonds, and to pay costs relating to the refunding of the 2008 Bonds.					
Serial Current Interest Bonds	7/15/19 - 7/15/36	3% - 5%	\$3,550 - \$7,620	107,600	97,525
<u>2018 Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.					
Serial Bonds	7/15/21 - 7/15/38	5%	\$1,175 - \$6,890	64,560	64,560
Serial Bonds, Insured	7/15/33 - 7/15/35	5%	\$4,800 - \$5,200	15,000	15,000
Term Bonds	7/15/39 - 7/15/43	5%	\$7,230 - \$8,790	39,955	39,955
Term Bonds	7/15/44 - 7/15/52	4%	\$4,995 - \$6,875	53,125	53,125
Term Bonds	7/15/44 - 7/15/52	4.25%	\$4,235 - \$5,865	45,000	45,000
				<u>217,640</u>	<u>217,640</u>
Total lease revenue bonds and accreted interest on capital appreciation bonds				<u>690,421</u>	<u>556,511</u>

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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<u>Type of indebtedness (purpose)</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2019</u>
Revenue Refunding Bonds:					
<u>2015 Issue</u>					
Purpose: To provide funds, together with other available moneys, (i) to refund its Certificates of Participation in the Colma Creek Flood Control Zone, and (ii) to pay issuance costs of the 2015 Bonds.					
Serial Current Interest Bonds	8/1/19 - 8/1/35	5.0%	\$680 - \$1,410	\$ 18,725	\$ 16,815
Total governmental activities				\$ 709,146	\$ 573,326
<u>Business-type Activities</u>					
Notes Payable:					
Coyote Point Marina					
Department of Boating and Waterways	8/1/19 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 424
Dock 29 loan	8/1/19 - 8/1/45	4.5%	\$35 - \$114	1,919	1,819
Housing Authority					
California Housing Finance Agency	5/20/57	0.00%	-	49	34
Total business-type activities				\$ 4,282	\$ 2,277

The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2019.

	Balance July 1, 2018	Additions/ Accretions	Retirements	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities:					
Lease revenue bonds	\$ 366,157	\$ 217,640	\$ (32,792)	\$ 551,005	\$ 31,335
Accreted interest on capital appreciation bonds	5,789	445	(728)	5,506	775
Add: unamortized premium	40,414	13,860	(2,763)	51,511	2,917
Lease revenue bonds, net	412,360	231,945	(36,283)	608,022	35,027
Revenue refunding bonds	17,465	-	(650)	16,815	680
Add: unamortized premium	2,402	-	(141)	2,261	141
Revenue refunding bonds, net	19,867	-	(791)	19,076	821
Other long-term obligations	4,441	104	(148)	4,397	149
Estimated claims	56,198	30,486	(29,938)	56,746	19,770
Compensated absences	47,258	37,470	(35,809)	48,919	37,871
Total Governmental Activities	\$ 540,124	\$ 300,005	\$ (102,969)	\$ 737,160	\$ 93,638
Business-type Activities:					
Notes payable	\$ 2,706	\$ -	\$ (429)	\$ 2,277	\$ 70
Compensated absences	10,841	10,623	(10,164)	11,300	10,769
Other long-term obligations	1,409	-	(271)	1,138	-
Total Business-type Activities	\$ 14,956	\$ 10,623	\$ (10,864)	\$ 14,715	\$ 10,839

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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Resources used to finance long-term liabilities of governmental and business-type activities are as follows:

- The *lease revenue bonds* are payable by a pledge of revenues from the base rental payments payable by the County, pursuant to individual lease agreements between the JPFA and the County for the use of equipment and facilities acquired or constructed by the JPFA. Under California law, the County cannot make lease payments until the County has constructive use or occupancy of the property being financed. Once construction is completed, the leases act like direct financing leases with lease payments equal to debt service payments. Total debt service requirements remaining on the lease revenue bonds is \$885.0 million payable through July 15, 2052. For the current year, principal and interest paid by the JPFA totaled \$32.8 million and \$19.3 million, respectively.
- The *revenue refunding bonds* are payable by a pledge of revenues from the installment payments payable by the County Flood Control District. Total debt service requirements remaining on the revenue refunding bonds is \$24.7 million payable through August 1, 2035. For the current year principal and interest paid by the District totaled \$0.7 million and \$0.9 million, respectively.
- *Notes payable* under business-type activities are funded separately by respective enterprise funds.
- *Other long-term obligations* are financed by the General Fund, including the Los Trancos County Water District, and the State Water Resources Control Board, and enterprise funds (Medical Center and Housing Authority).
- *Estimated claims* are liquidated by charges for services collected through individual internal service funds and reserves of the Housing Authority.
- *Compensated absences* are financed by governmental funds (General Fund and individual special revenue funds) and enterprise funds (Medical Center, Housing Authority, Airports, and Coyote Point Marina) that are responsible for the charges.

Governmental activities and business-type activities have been used to liquidate compensated absences, accounts payable, net pension liability, and net OPEB liability in prior years.

Annual debt service requirements for the governmental activities as of June 30, 2019, are summarized as follows:

<u>Fiscal Year Ended June 30,</u>	Governmental Activities				
	<u>Lease Revenue Bonds</u>			<u>Revenue Refunding Bonds</u>	
	Principal	Interest Accretion	Interest	Principal	Interest
2020	\$ 31,335	\$ 775	\$ 25,262	\$ 680	\$ 824
2021	28,806	819	23,817	710	789
2022	28,019	866	22,433	750	753
2023	23,224	911	21,299	785	714
2024	25,380	960	20,067	825	674
2025-2029	126,272	3,189	80,643	4,780	2,692
2030-2034	93,380	-	52,728	6,100	1,339
2035-2039	56,510	-	35,589	2,185	93
2040-2044	39,955	-	25,377	-	-
2045-2049	50,105	-	15,199	-	-
2050-2053	48,020	-	4,051	-	-
Total requirements	<u>551,005</u>	<u>7,521</u>	<u>326,468</u>	<u>\$ 16,815</u>	<u>\$ 7,877</u>
Less: unaccreted interest	-	(2,015)	-		
Total	<u>\$ 551,005</u>	<u>\$ 5,506</u>	<u>\$ 326,468</u>		

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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Lease revenue bonds are secured by revenues from the base rental payments payable by the County. Events of default include nonpayment of interest on and the principal of the outstanding bonds when due and payable, the JPFA filing for bankruptcy, and the failure to observe any covenant or provision of bond indentures for a period of 30 days, with the exception of the 2014 Lease Revenue Bonds and 2016 Refunding Lease Revenue Bonds which is for a period of 60 days. In the event of default, the trustee, U.S. Bank National Association, may, upon written request of a majority of bondholders in aggregate principal amount and accreted value of the outstanding bonds, or at the direction of the bond insurer, declare the principal and accreted value of and the interest on all outstanding bonds to be due and payable immediately.

Revenue refunding bonds are pledged by all revenues, income and investment earnings, received by Colma Creek Flood Control Zone (Colma Creek), including the ad valorem taxes levied by the County and allocable to the Colma Creek. There is no right of acceleration under the indenture in an event of default. In the event of default, the trustee, U.S. Bank National Association, shall exercise its rights to indemnification and protection from liability under the indenture and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the bonds. The trustee shall be entitled to interest on all amounts advanced by it under the indenture at the maximum interest rate permitted by law. Notwithstanding the foregoing, the trustee shall not be required to advance its own funds. The trustee in its individual or other capacity may become the owner or pledgee of the bonds with the same rights it would have if it were not the trustee.

Annual debt service requirements for the business-type activities as of June 30, 2019, are summarized as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Business-type Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 70	\$ 105
2021	72	102
2022	75	98
2023	78	95
2024	82	91
2025-2029	470	396
2030-2034	317	294
2035-2039	380	215
2040-2044	477	119
2045-2049	223	15
2050-2054	-	-
2055-2057	33	-
Total requirements *	<u>\$ 2,277</u>	<u>\$ 1,530</u>

* The County was awarded a \$2.1 million loan for plans, permits, environmental review, and construction of Dock 29. Under this loan agreement, the State Department of Boat and Waterways reimburses the County for the amount expended on the Dock 29 project.
As of June 30, 2019, the total principal due to the State is \$1,819.

Issuance of 2018 Lease Revenue Bonds

In November 2018, the JPFA issued a total of \$217.6 million in Lease Revenue Bonds (the “2018 Bonds”) with interest rates ranging 4% to 5% and a bond premium of \$13.9 million. Together with other available moneys, the proceeds of the 2018 Bonds totaling \$231.5 million were used to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.

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The 2018 Bonds are limited obligations of the JPFA payable solely from, and secured solely by, revenues of the JPFA, consisting primarily of Base Rental Payments to be received by the JPFA from the County under a Master Facility Lease, by and between the JPFA and the County, for the right to use and possess certain real property and facilities.

In connection of the 2018 Bonds, the JPFA issued 2019 Series A Lease Revenue Bonds (Forward Refunding) (the "2019 Bonds") in October 2019 for a total of \$45.2 million with an interest rate of 5% and a bond premium of \$4.1 million. Together with other available moneys, the proceeds of the 2019 Bonds totaling \$49.3 million were used to (i) refund the 2009 Bonds, and (ii) pay costs of issuance.

Legal Debt Service Limit

The County's annual legal debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years, and shall be for non-voter approved debt that is the obligation of the County. The County's legal debt service limit was \$106.7 million for the fiscal year ended June 30, 2019.

NOTE 11 – NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related outstanding debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, including debt related deferred outflows of resources, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
 - Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.
 - A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. As of June 30, 2019, restricted net position for the governmental activities was \$323.0 million as reported on the government-wide statement of net position, and approximately \$76.4 million of which was restricted by enabling legislation.
- *Unrestricted Net Position* represents net position of the County that is not restricted for any project or purpose.

NOTE 12 – FUND BALANCES

The County Board adopted the County Reserves Policy in April 1999. The policy was created to help reduce the negative impact on the County in times of economic uncertainty and potential losses of funding from other governmental agencies. On February 9, 2010, the County Board approved a revised policy to keep pace with the current fiscal environment. County reserves are generally restricted for one-time purposes or as part of multi-year financial plan to balance the budget. The revised policy establishes minimum requirements for General Fund departmental reserves, General Fund non-departmental reserves, service department reserves and Non-General Fund department reserves, including guidelines for the use of these funds. On January 31, 2011, the Board authorized the use of 50% of future excess ERAF proceeds for ongoing purposes. The current ERAF reserves and 50% of future proceeds can only be used for one-time purposes as described in the County Reserves Policy.

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	General Fund	Joint Powers Financing Authority	Other Governmental Funds
Nonspendable:			
Inventories	\$ 82	\$ -	\$ 399
Prepaid items	14,877	686	91
Long-term interfund advances	7,841	-	-
Long-term receivables	27,848	-	-
Total nonspendable	<u>50,648</u>	<u>686</u>	<u>490</u>
Restricted:			
Behavioral health services	6	-	-
District Attorney case management system	98	-	-
Transportation	420	-	-
Health realignment	5,438	-	-
Calworks	178	-	-
Social services realignment	74,007	-	-
Medi-Cal	27,932	-	-
Health services programs	11,164	-	-
California assistance program for immigrants	11,695	-	-
Wraparound program	13,151	-	-
Homeless emergency aid program	4,961	-	-
Other social services programs	2,170	-	-
Debt service	-	240,460	29,982
Road improvement	-	-	21,897
Fire services	-	-	10,699
Sewer maintenance	-	-	21,717
Flood control	-	-	28,525
Lighting maintenance	-	-	16,921
Highway and transportation improvement	-	-	5,721
Waste management	-	-	12,808
Emergency care	-	-	2,246
Garbage and fire protection	-	-	10,657
Parks acquisition and development	-	-	1,427
Others	-	-	1,942
Total restricted	<u>151,220</u>	<u>240,460</u>	<u>164,542</u>
Assigned:			
Election software system	196	-	-
Capital projects and improvements	1,786	-	97,726
Public services	5,820	-	1,313
Total assigned	<u>7,802</u>	<u>-</u>	<u>99,039</u>
Unassigned	1,021,356	-	(259)
Total fund balances	<u>\$ 1,231,026</u>	<u>\$ 241,146</u>	<u>\$ 263,812</u>

General Fund Departmental Reserve Requirements

General Fund departments are required to maintain reserves at a minimum of two percent (2%) of Net Appropriations. In general, departmental reserves are restricted to one-time emergencies, unanticipated mid-year losses of funding, short-term coverage of costs associated with unanticipated caseload increases, and short-term coverage of costs to avoid employee layoffs in the presence of a long-term financial plan. One-time funds will not be used to fund ongoing operations, except for a multi-year financial plan to balance expenditures and reserves.

Departments must obtain approval from the County Manager prior to using reserves that will reduce the reserve below the two percent requirement. Excess fund balance at year end must first be used to replenish the minimum reserve requirement. Departments that are unable to demonstrate progress towards achieving the two percent requirement will

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
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be subject to enhanced fiscal oversight. Fund balance in excess of two percent minimum departmental reserves can only be allocated to the following: one-time purposes, purchase of capital assets, sinking fund for future replacement of assets, deferred maintenance, one-time departmental projects, reserve for audit disallowances, local match for grants, seed money for new departmental programs with ongoing funding sources and outcome measures, and short-term coverage of operational costs to maintain program integrity and prevent employee layoffs. Unexpended one-time funds from deferred and incomplete projects are carried over to the next fiscal year at 100% of the amount not spent.

General Fund Non-Departmental Reserve Requirements

General Fund non-departmental reserve requirements are classified into five categories:

1. *General Fund Reserves* – should be maintained at a minimum of five percent (5%) of total General Fund Net Appropriations for one-time purposes or as part of a multi-year financial plan to balance the County’s budget. The five percent requirement may include Excess ERAF reserves. Excess fund balance at year end should first be used to replenish “Appropriation for Contingencies” and next the minimum of the five percent requirement.
2. *Appropriation for Contingencies* – should be maintained at three percent (3%) of total General Fund Net Appropriations for one-time emergencies and economic uncertainties. Excess fund balance at year end must be first used to replenish this amount to achieve the highest possible credit rating.
3. *Reserve for Capital Improvements* – should be maintained at a minimum of \$2 million to preserve the County’s capital assets. The reserve will be appropriated annually to finance countywide capital improvements as specified in the five-year County’s Capital Improvement plan. This plan will be updated annually during the budget process.
4. *Reserve for Countywide Automation Projects* – should be maintained at a minimum of \$2 million to support automation projects that will generate long-term ongoing savings and reductions to net county cost.
5. *Reserve in Excess of Above Requirements* – can only be allocated for the following one-time or short-term purposes:
 - Capital and technology improvements;
 - Reduction of unfunded liabilities, including Retirement and Retiree Health obligations;
 - Debt retirement;
 - Productivity enhancements;
 - Cost avoidance projects;
 - Litigation;
 - Local match for grants involving multiple departments;
 - Innovation and Entrepreneurial Fund to create one-time and short-term incentives for team efforts that generate ongoing savings or revenues in new and creative ways, including one-time investments in infrastructure and other areas with established parameters regarding payback periods and returns on investments;
 - Seed money for new programs involving multiple departments with future ongoing funding sources and outcome measures; and
 - Other purposes deemed to be fiscally prudent for the County as identified and recommended by the County Manager’s Office to the Board.

General Fund departmental and non-departmental reserves are reported within unassigned fund balances because they do not meet the criteria to be reported within the restricted or committed classifications.

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Service Departments and Non-General Fund Departments

Following the end of each fiscal year, the Service Charges Committee will evaluate the fund balance generated by service departments and recommend how the balance be used.

- Internal Service Funds can maintain reserve balances for future purposes including, but not limited to, vehicle and equipment replacement costs and risk management claims.
- Enterprise Funds and Special Revenue Funds should generate revenue sufficient, as a goal, to support the full operating costs of these funds above and beyond General Fund subsidy or contribution levels approved by the County Board.

NOTE 13 – EMPLOYEES’ RETIREMENT PLANS

San Mateo County Employees’ Retirement Association

(a) Plan Description

General. The San Mateo County Employees’ Retirement Association (SamCERA) is a cost-sharing multiple-employer, defined benefit pension plan that provides benefits for substantially all permanent employees of the County (primary government), First 5 (discrete component unit), and employees of the San Mateo County Library, the Superior Courts of the County of San Mateo, and the San Mateo County Mosquito and Vector Control District. SamCERA was founded in 1944 under the authority granted by Article XVI of the Constitution of the State of California and the County Employees Retirement Law of 1937 (the 1937 Act), and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. SamCERA is a Pension Trust Fund of the participating employers.

Management of SamCERA is vested in the Board of Retirement consisting of nine members. SamCERA is governed by the California Constitution, the 1937 Act and the by-laws, procedures, and policies adopted by the Board of Retirement. Pursuant to the 1937 Act, board members include the County Treasurer, two general members of SamCERA elected by their peers, four members appointed by the County Board, one member from SamCERA’s safety members, and one member from the retired membership.

The Board of Retirement undertakes the administrative and fiduciary responsibility over the pension plan. SamCERA issues a publicly available financial report that can be obtained by writing to the San Mateo County Employees’ Retirement Association, 100 Marine Parkway, Suite 125, Redwood Shores, California 94065 or via the Internet at www.samcera.org/comprehensive-annual-financial-reports.

Benefit Provisions. SamCERA provides service retirement, disability, and death benefits to plan members and beneficiaries based on defined benefit formulas using final average compensation, years of service, and age factors to calculate benefits payable. SamCERA has seven tiers that cover members classified as general, safety, or probation, and provides annual cost-of-living adjustments upon retirement to members of Tiers 1, 2, 4, 5, 6, and 7. The benefits of Tier 3 are reduced by a portion of Social Security benefits received by the member. The 1937 Act vests the County Board with the authority to initiate benefits, while Government Code Section 31592.2 empowers the Board of Retirement to provide certain ad hoc benefits when the Section 31592 reserve exceeds 1% of assets.

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SamCERA has seven tiers covering members classified as general, safety or probation. The tables below provide details for each of these tiers.

	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>
Plan 1*	Hire date	On or before 7/5/80	On or before 7/5/80
	Benefit factor	2% @55.5	3% @50
	Maximum COLA	5%	3%
	FAC period**	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 2*	Hire date	7/6/80 - 7/12/97	7/6/80 - 7/12/97
	Benefit factor	2% @55.5	3% @50
	Maximum COLA	3%	3%
	FAC period	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 3*	Hire date	On or before 12/22/12, a non-contributory plan.	Not applicable
		(After five years of service, Plan 3 members can elect membership under the eligible contributory plan. Members currently working in a contributory plan with Plan 3 service may purchase an upgrade of their Plan 3 service. Plan 3 closed effective December 23, 2012.)	
		(If retirement occurs prior to age 65, benefit amount will be adjusted by an actuarial equivalent factor.)	
	Maximum COLA	No COLA	Not applicable
	FAC period	Highest 3 years (non-consecutive)	Not applicable
	Eligibility for service retirement	Age 65 with 10 years of service; reduced benefit at age 55 with 10 years of service.	Not applicable

* Plans 1, 2, 3 and 4 are closed to new entrants. However, eligible general members with reciprocity of the Mosquito and Vector Control District may participate in Plan 4.

** FAC period stands for "final average compensation" period.

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	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>
Plan 4*	Hire date	7/13/97 - 8/6/11	7/13/97 - 7/9/11
	(Note: Plan 4 closed simultaneously with the implementation of Plans 5 and 6.)		
	Benefit factor	2% @55.5	3% @50
	Maximum COLA	2%	2%
	FAC period**	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
		Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 5	Hire date	8/7/11 - 12/31/12	7/10/11 - 12/31/12
	(Note: General Plan 5 members after 10 years of service can elect to transfer to Plan 4 and must pay the total actuarial equivalent cost of the increase in past service benefits at the date of transfer.)		
	Benefit factor	2% @61.25	3% @55
	Maximum COLA	2%	2%
	FAC period	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
		Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 6	Hire date	Not applicable	7/10/11 - 12/31/12
	Benefit factor	Not applicable	2% @50
	Maximum COLA	Not applicable	2%
	FAC period	Not applicable	Highest 3 years (non-consecutive)
	Eligibility for service retirement	Not applicable	Age 50 with 10 years of service; or any age with 20 years of service.
		Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 7	Hire date	On or after 1/1/13	On or after 1/1/13
	Benefit factor	2% @62	2.7% @57
	Maximum COLA	2%	2%
	FAC period	Highest 36 consecutive months	Highest 36 consecutive months
	Eligibility for service retirement	Age 52 with 5 years of service.	Age 50 with 5 years of service.
		Age 50 with 5 years of service.	Age 50 with 5 years of service.

(1) Plan 5 was only available for those with the Deputy Sheriff Association.

(2) Plan 6 was only available for those with the Organization of Sheriff's Sergeants.

* Plans 1, 2, 3 and 4 are closed to new entrants. However, eligible general members with reciprocity of the Mosquito and Vector Control District may participate in Plan 4.

** FAC period stands for "final average compensation" period.

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In addition, SamCERA provides annual Cost of Living Adjustment (COLA) upon retirement for members of Plans 1, 2, 4, 5, 6, and 7. The benefits of Plan 3 are reduced by a portion of the Social Security benefits received by the member.

Pension Plan Membership. Plan membership as of June 30, 2019 is displayed in the table below.

	Plan 1*	Plan 2*	Plan 3*	Plan 4*	Plan 5	Plan 6	Plan 7	Total
RETIREEES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS								
General	1,364	2,009	131	873	8	-	4	4,389
Safety	268	225	-	99	1	-	2	595
Probation	82	112	-	47	-	-	-	241
Subtotal	1,714	2,346	131	1,019	9	-	6	5,225
INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)								
General	7	282	69	767	88	-	406	1,619
Safety	1	18	-	43	9	-	16	87
Probation	-	17	-	38	1	-	5	61
Subtotal	8	317	69	848	98	-	427	1,767
CURRENT MEMBERS, VESTED								
General	5	488	55	1,842	164	-	284	2,838
Safety	-	42	-	219	41	-	29	331
Probation	-	15	-	163	7	-	12	197
Subtotal	5	545	55	2,224	212	-	325	3,366
CURRENT MEMBERS, NON-VESTED								
General	-	1	5	12	109	-	1,645	1,772
Safety	-	-	-	-	22	-	177	199
Probation	-	-	-	-	1	-	39	40
Subtotal	-	1	5	12	132	-	1,861	2,011
Total Members	1,727	3,209	260	4,103	451	-	2,619	12,369

* Plans closed to new entrants except eligible general members with reciprocity of the Mosquito and Vector Control District may participate in Plan 4.

Contributions. The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retirement. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Employer contribution rates for each tier are determined pursuant to Government Code Section 31453 of the 1937 Act. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost (the estimated amount necessary to finance benefits earned by members during the year) and an amount required to amortize the unfunded actuarial accrued liability. Contributions to the plan from the County were \$235.8 million and First 5 were \$0.2 million for the year ended June 30, 2019.

(b) Net Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the County reported \$461.4 million of net pension liability for its proportionate share of the net pension liability, while First 5 reported \$0.6 million of net pension liability for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2018, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The County's proportion of the net pension liability was based on statutory contributions. The County's proportionate share of the net pension liability, which includes First 5 was 94.62% as of June 30, 2018, which was a decrease of 0.06% from its share measured as of June 30, 2017.

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For the year ended June 30, 2019, the County recognized pension expense of \$134.6 million and First 5 recognized pension expense of \$0.2 million. The County reported \$235.8 million and First 5 reported \$0.2 million as deferred outflows of resources related to pension contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-type Activities	First 5 San Mateo County
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	\$ 204,361	\$ 31,455	\$ 229
Changes of pension-related assumptions	96,935	19,436	134
Changes in proportionate share of net pension liability	423	85	-
Difference in actual and proportionate share of pension contributions	1,234	250	2
Differences between expected and actual pension experience	33,408	6,764	48
Differences between projected and actual earnings on pension investments	9,914	1,873	10
Total deferred outflows of resources	<u>\$ 346,275</u>	<u>\$ 59,863</u>	<u>\$ 423</u>
DEFERRED INFLOWS OF RESOURCES			
Difference in actual and proportionate share of pension contributions	\$ 235	\$ 46	\$ -
Total deferred inflows of resources	<u>\$ 235</u>	<u>\$ 46</u>	<u>\$ -</u>

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>First 5</u>
2020	\$ 83,001	\$ 16,595	\$ 113
2021	53,291	10,648	73
2022	646	148	1
2023	4,741	971	7

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(c) Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2018
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2014 to April 30, 2017
Amortization method	Level Percent of Projected Payroll
Amortization period	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL is amortized over separate closed 15-year layers which are determined annually.
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.
Actuarial assumptions:	
Investment rate of return *	6.92%
Inflation rate (CPI)	2.50%
Payroll growth rate	3.00%
Mortality	Rates are primarily based on RP-2014 mortality tables. See the valuation report as of June 30, 2018, for details.

* Differs from actuarial valuation for funding purposes due to addition of administrative load of 0.42%.

The long-term expected rate of return on pension plan investments was determined using a building-block approach in which a median (or expected) geometric rate of return is developed for each major asset class. The median rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and estimates of the median geometric rates of return for each major asset class are shown in the table below. The asset class return assumptions are presented on a nominal basis, and all assumptions include a base inflation rate assumption of 2.50%.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Public Equity	41%	4.90%
Fixed Income	21%	2.10%
Alternatives	12%	5.30%
Risk Parity	8%	5.10%
Inflation Hedge	18%	4.30%
Total	100%	

Discount Rate. The investment rate of return assumption used to measure the total pension liability was 6.92% as of June 30, 2019, same as from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA's funding policy and the legal requirements under the County Employees Retirement Law of 1937. In addition, the County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the unfunded actuarial accrued liability. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for

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calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses. *Sensitivity of the County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate.* The following presents net pension liability of the County, calculated using the discount rate of 6.92%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.92%) or 1 percentage point higher (7.92%) than the current rate.

(Dollars in Millions)

	Primary Government		
	1% Decrease:	Current Discount Rate:	1% Increase:
	5.92%	6.92%	7.92%
Total pension liability	\$ 5,251.8	\$ 4,594.6	\$ 4,059.1
Fiduciary net position	4,133.2	4,133.2	4,133.2
Net pension liability	1,118.6	461.4	(74.1)

	First 5		
	1% Decrease:	Current Discount Rate:	1% Increase:
	5.92%	6.92%	7.92%
Total pension liability	\$ 6.9	\$ 6.0	\$ 5.3
Fiduciary net position	5.4	5.4	5.4
Net pension liability	1.5	0.6	(0.1)

Pension Plan Fiduciary Net Position. Detailed information about the plan's fiduciary net position is available in the separately issued SamCERA financial report.

(d) Payable to the Pension Plan

At June 30, 2019, the County has paid all contributions to the pension plan required for the year ended June 30, 2019.

San Mateo County Supplemental Retirement Plan

The San Mateo County Supplemental Retirement Plan ("Supplemental Retirement Plan") is a defined contribution plan established in the form of a Governmental Money Purchase Plan & Trust administered by the ICMA Retirement Corporation.

Federal and State tax laws, and the 1937 Act limit the annual compensation that can be used to determine benefits in SamCERA. All County employees who were hired after July 1, 1996, are subject to the annual limit, which is \$275 thousand for calendar year 2018. The Supplemental Retirement Plan was established in 2004 to invest contributions on compensation earnable over the annual limit to compensate for benefits that cannot be paid under SamCERA. The County is the plan trustee and is authorized to invest funds held under the Supplemental Retirement Plan. Fees are charged to the participants based on the fund selection.

Each year the County will contribute to the Supplemental Retirement Plan for certain employee participants. The amount of the contributions to the Supplemental Retirement Plan is the same amount that the County would have contributed to SamCERA for the benefits that cannot be paid under that plan. Contributions are fully vested. The employee participants and the amount of the County's annual contributions are designated in the plan documents. During the year ended June 30, 2019, the County contributed \$264 thousand into the Supplemental Retirement Plan.

County of San Mateo Extra Help Agile 401a Plan

The County maintains a qualified defined contribution plan for extra help employees. Employees are eligible upon employment at their discretion. Employer contributions are discretionary and are determined by the County on an annual basis. Employer matching contributions made by the County, including any earnings, vest over a 3-year period. During the year ended June 30, 2019, the County contributed \$0.8 million into the Agile 401a Plan.

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Housing Authority of the County of San Mateo

The Housing Authority has its own employees and participates in a defined contribution retirement plan administered by the Variable Annuity Life Insurance Company. Employees with more than six months of service can participate in the plan. This plan provides an individual account for each participant. The amount a participant will receive depends solely on the amount contributed to the participant’s account plus earnings from investments of those contributions.

The Housing Authority is required to deposit an amount as set forth in the plan to employee accounts. Employer contributions are vested 20% for each year of service of the individual employee until the employee becomes fully vested after five years. Under this plan, management employees do not need to make contributions. The Housing Authority contributes 14% of the gross salary monthly for management. The plan had 49 active participants as of June 30, 2019. During the fiscal year ended June 30, 2019, the Housing Authority contributed \$0.4 million to its retirement plan.

Monthly contributions made by the Housing Authority and its non-management employees are as follows:

Years of Service	Percentage of Gross Salaries	
	Employees	Housing Authority
Over 6 months	4.5%	9.5%
Over 5 years	3.5%	10.5%
Over 10 years	2.5%	11.5%
Over 15 years	2.0%	12.0%

Health Plan of San Mateo

Health Plan of San Mateo (HPSM) established the Health Plan of San Mateo Employee Retirement (the “Plan”) in January 1994. The Plan is a single-employer defined benefit pension (cash balance) plan administered by HPSM. Eligible HPSM employees become members of the Plan on the first day of employment. HPSM has the authority to amend or terminate the Plan at any time and for any reason by actions of its Commission.

Under the Plan, participants’ account balances are credited with contributions equal to 10% of their annual compensation, plus interest of 5% on an annual basis effective January 1, 2005. Benefits are payable in the form of a single sum payment upon termination or can be deferred through optional payment forms. Participants earn a vested right to accrued benefits upon completion of three years of service and upon death, permanent disability or employer termination of the Plan. Contributions to the Plan are made by HPSM as no contributions are permitted by participants.

As of December 31, 2018, participant data for the Plan is as follows: 11 retired and beneficiaries, 41 inactive, and 277 active. The Plan does not issue a stand-alone financial report.

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As of December 31, 2018, HPSM recognized pension expense of \$1.7 million and established \$0.9 million in net pension liability. Deferred outflows and deferred inflows of resources are reported as follows:

	Health Plan of San Mateo (December 31, 2018)
DEFERRED OUTFLOWS OF RESOURCES	
Changes of pension-related assumptions	\$ 3
Differences between expected and actual pension experience	1,075
Differences between projected and actual earnings on pension investments	<u>1,506</u>
Total deferred outflows of resources	<u>\$ 2,584</u>
DEFERRED INFLOWS OF RESOURCES	
Changes of pension-related assumptions	\$ 441
Differences between expected and actual pension experience	<u>137</u>
Total deferred inflows of resources	<u>\$ 578</u>

Amount reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense are as follows:

Year Ended December 31	<u>HPSM</u>
2019	\$ 437
2020	263
2021	488
2022	737
2023	81

The table below summarizes changes in pension (asset) liability for the year ended December 31, 2018:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Pension</u>	<u>Net Pension (Asset) Liability</u>
Balance at December 31, 2017	<u>\$ 19,076</u>	<u>\$ 21,332</u>	<u>\$ (2,256)</u>
Changes during the year:			
Service cost	1,409	-	1,409
Interest	1,494	-	1,494
Differences between expected and actual experience	580	-	580
Changes of assumptions	(2)	-	(2)
Benefit payments	(1,169)	(1,169)	-
Employer contributions	-	1,397	(1,397)
Net investment income	<u>-</u>	<u>(1,086)</u>	<u>1,086</u>
Net changes	<u>2,312</u>	<u>(858)</u>	<u>3,170</u>
Balance at December 31, 2018	<u>\$ 21,388</u>	<u>\$ 20,474</u>	<u>\$ 914</u>

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Actuarial assumptions used by HPSM as of December 31, 2018:

Valuation date	12/31/2018
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed amortization
Asset valuation method	Market value
Actuarial assumptions:	
Projected salary increases	5.00%
Mortality	Based on the RP-2014 healthy mortality table for males and females adjusted to 2006, with future mortality improvements projected on a fully generational basis using projection scale MP-2018
Discount rate	7.50%

The following table summarizes the sensitivity of net pension (asset) liability to changes in the discount rates as of December 31, 2018.

	HPSM		
	1% Decrease:	Current Discount Rate:	1% Increase:
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Net pension liability (asset) as of December 31, 2018	\$ 2,464	\$ 914	\$ (464)

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

County of San Mateo

Plan Description. The County administers a postemployment benefit (OPEB) sick leave conversion Retiree Health Plan (a single-employer defined benefit plan). This plan provides healthcare benefits to members who retire from the County and are eligible to receive a pension from SamCERA. Eligible retirees may elect to continue healthcare coverage in the County health plan and convert their sick leave balance at retirement to a County-paid monthly benefit that will partially fund their retiree health premiums.

Benefit provisions are established and may be amended through negotiations between the County and the bargaining units during each bargaining period. The plan does not cover employees of the Housing Authority nor issues a separate financial report.

The County funds its OPEB plan through the California Employers' Retiree Benefits Trust (CERBT), an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other postemployment benefits for their covered employees or retirees. The CERBT's administrator, the California Public Employees' Retirement System (CalPERS), issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Benefit Provisions. The County contracts with Kaiser and Blue Shield Health Plans to provide health coverage to its active members and pre-Medicare retirees (under age 65 and not covered by Medicare). The insurers charge the same premium for actives and retirees without Medicare; therefore, an implicit County subsidy of retiree premium exists. The implicit subsidy is determined by the difference between the true costs of the benefits and the actual premiums paid. Retiree health premiums would be significantly higher if premiums were determined without regard to active claims experience because health claim costs generally increase with age.

The County contracts with Kaiser, Secure Horizons, and Blue Shield to provide supplemental health coverage for retirees enrolled in Medicare. Medical premiums for retirees enrolled in Medicare are not based on blended active experience; therefore, implicit subsidy does not exist in premiums for retirees enrolled in Medicare and receiving supplemental health coverage.

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The duration and amount of the County-paid benefits varies based on the amount of sick leave at retirement, the date of hire, the date of retirement, and the bargaining group to which the retiree belongs. After the County-paid benefits expire, the retirees may continue coverage in the County health plans at their own expense.

For the majority bargaining units, hired prior to January 1, 2011. For each eight hours of unused sick leave at the time of retirement, the County contributes a set amount of the total premiums. For employees who retire with 20 or more years of service, the sick leave balance will be deducted at 6 hours per month instead of 8 hours.

As of June 30, 2019, the conversion benefit is as follows per month.

Years of Service at Retirement	County Monthly Contribution*	Annual Increase	Not to exceed
<15	\$ 440.00	0%	90% of pre-65 Kaiser retiree only premium
15-20	522.21	2%	90% of pre-65 Kaiser retiree only premium
>20	646.57	4%	90% of pre-65 Kaiser retiree only premium

* Contribution amount is in dollars.

Retirees who exhaust their sick leave will be credited with additional sick leave hours based on the years of service as follows:

Credit Sick Leave Hours	
Years of Service	Hours
10	96
15	192
20	288

For the majority bargaining units, hired on or after January 1, 2011. For each eight hours of unused sick leave at the time of retirement, the County contributes \$400 of the total premiums. Retirees can choose to cover spouses and dependents. Retirees can choose a higher level for the County portion, but will need to convert more sick leave hours each month for those higher amounts.

Future increases in retiree sick leave conversion benefits vary among various bargaining groups under the County's latest bargaining agreements. Demographic assumptions regarding retirement, disability, and turnover are based on statistics from the June 30, 2018 pension valuation for SamCERA.

Membership	
Actives	5,114
Retirees and beneficiaries receiving benefits	3,372

Contributions. The County's contribution is an amount equal to the actuarially determined contribution (ADC) every fiscal year. The amount of the ADC above the implicit rate subsidy is the cash contribution that the County needs to make to CERBT in order to have total contributions equal to the ADC.

The County's ADC was calculated based on the service cost plus an amortization of the net OPEB liability on a closed basis over 30 years, beginning July 1, 2005. That amortization is calculated as a level percentage of payroll based on the payroll growth assumption. Contribution requirements or amendments for members and the County are established through negotiations with individual bargaining units.

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The contributions for fiscal year ended June 30, 2019, were as follows:

Employer contributions	\$ 22,083
Implicit rate subsidy	<u>6,496</u>
	<u>\$ 28,579</u>

Net OPEB Liability, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB. As of June 30, 2019, the County reported \$99.6 million of net OPEB liability, while First 5 reported \$0.1 million. The net OPEB liability of the plan is measured as of June 30, 2018, and the total OPEB liability for the plan used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The County's portion of the net OPEB liability, which includes First 5 was 98.0% as of June 30, 2018. The remaining portion of 2.0% related to County Library and San Mateo Local Agency Formation Commission (LAFCo).

For the year ended June 30, 2019, the County recognized OPEB expense of \$14.4 million and First 5 recognized \$21 thousand. The County reported \$28.5 million and First 5 reported \$42 thousand as deferred outflows of resources related to OPEB contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-type Activities*	First 5 San Mateo County
DEFERRED OUTFLOWS OF RESOURCES			
OPEB contributions subsequent to measurement date	\$ 23,345	\$ 5,192	\$ 42
Changes of OPEB-related assumptions	6,531	1,452	12
Differences between expected and actual OPEB experience	2,890	643	5
Differences between projected and actual earnings on OPEB investments	<u>625</u>	<u>140</u>	<u>1</u>
Total deferred outflows of resources	<u>\$ 33,391</u>	<u>\$ 7,427</u>	<u>\$ 60</u>
DEFERRED INFLOWS OF RESOURCES			
Changes of OPEB-related assumptions	\$ 30,018	\$ 6,612	\$ 54
Differences between expected and actual OPEB experience	<u>9,234</u>	<u>2,035</u>	<u>16</u>
Total deferred inflows of resources	<u>\$ 39,252</u>	<u>\$ 8,647</u>	<u>\$ 70</u>

* Housing Authority's portion is presented separately.

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities*</u>	<u>First 5</u>
2020	\$ (5,787)	\$ (1,271)	\$ (10)
2021	(5,787)	(1,271)	(10)
2022	(5,787)	(1,271)	(10)
2023	(5,560)	(1,221)	(10)
Thereafter	(6,285)	(1,378)	(12)

* Housing Authority's portion is presented separately.

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Actuarial Assumptions. The total OPEB liabilities in the June 30, 2019 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2019
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2014 to April 30, 2017
Actuarial assumptions:	
Discount rate	6.50%
Long-term expected rate of return	6.50%, net of investment expense
Inflation	2.75%
Payroll growth rate	3.00%
Mortality	Rates are primarily based on RP-2014 mortality tables. See June 30, 2018 pension valuation.
Health cost trend	Adjusted to reflect the expected costs due to ACA
	2020-21 5.40%
	2021-22 5.10%
	2022-23 5.10%
	2023-28 5.10%
	2028-29 5.20%
	2038-39 5.30%
	2048-49 6.10%
	2058-59 5.70%
	2068-69 5.10%
	2078-79 4.60%
	After 2080 4.50%
Dental cost trend	4.00%
Vision cost trend	4.00%

An excise tax for high cost health coverage, or “Cadillac” health plans, was included in the Patient Protection and Affordable Care Act (ACA) passed into law in March 2010. The provision levies 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. The Consolidated Appropriations Act (CAA), which was signed into law in December 2015, delays the tax from 2018 to 2020. On January 22, 2018, another delay was signed into law, pushing the effective date to 2022. GASB Statement No. 75 indicates that the projection of benefits should include all benefits to be provided to retirees in accordance with the current “substantive” plan at the time of valuation. For this reason, the actuary has included the value of the excise tax in the June 30, 2018 valuation. The valuation also assumes that there will be no changes to the current law and that there will be no changes in plan design to help mitigate the impact of the tax.

The OPEB plan assets are expected to be invested using a strategy to achieve the long-term rate of return. The County selected CERBT Fund Strategy 2 for its asset allocation as follows:

Asset Allocation	
Global Equity	40%
U.S. Fixed Income	43%
Treasury Inflation-Protected Securities (TIPS)	5%
Real Estate Investment Trusts (REITs)	8%
Commodities	4%
Total	100%

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Discount Rate. The investment rate of return assumption used to measure the total OPEB liability was 6.50%. The projection of benefit payments made in future periods and expected level of cash flows and investment returns were used to determine the discount rate and assumed that employer contributions will be made at the funding requirements. Based on those assumptions, the plan's fiduciary net position was projected to be sufficient to pay projected benefit payments in all future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability and net OPEB liability is equal to the long-term assumed rate of return, gross of administrative expenses.

Sensitivity of the County's Net OPEB Liability to Changes in the Discount Rate. The following presents net OPEB liability of the County, calculated using the discount rate of 6.50%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

(Dollars in Millions)

	Primary Government*					
	1% Decrease:		Current Discount Rate:		1% Increase:	
	5.50%		6.50%		7.50%	
Total OPEB liability	\$	430.5	\$	392.1	\$	358.3
Fiduciary net position		292.5		292.5		292.5
Net OPEB liability		138.0		99.6		65.8

* Housing Authority's portion is separately presented.

	First 5					
	1% Decrease:		Current Discount Rate:		1% Increase:	
	5.50%		6.50%		7.50%	
Total OPEB liability	\$	0.6	\$	0.5	\$	0.5
Fiduciary net position		0.4		0.4		0.4
Net OPEB liability		0.2		0.1		0.1

Sensitivity of the County's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents net OPEB liability of the County, calculated using the current healthcare trend cost rates, as well as what the County's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

(Dollars in Millions)

	Primary Government*					
	1% Decrease:		Current Trend Rate:		1% Increase:	
	Total OPEB liability	\$	353.4	\$	392.1	\$
Fiduciary net position		292.5		292.5		292.5
Net OPEB liability		60.9		99.6		145.2

* Housing Authority's portion is separately presented.

	First 5					
	1% Decrease:		Current Trend Rate:		1% Increase:	
	Total OPEB liability	\$	0.5	\$	0.5	\$
Fiduciary net position		0.4		0.4		0.4
Net OPEB liability		0.1		0.1		0.2

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OPEB Plan Fiduciary Net Position. The Plan Fiduciary Net Position and total OPEB liability were determined as of the measurement date. The components of the net OPEB liability as of June 30, 2018 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * Liability
Balance at June 30, 2017	\$ 366,222	\$ 277,450	\$ 88,772
Changes for the year:			
Service cost	15,531	-	15,531
Interest on total OPEB liability	25,033	-	25,033
Effect of economic/demographic gains or losses	4,193	-	4,193
Effect of assumptions changes or inputs	9,473	-	9,473
Benefit payments	(19,913)	(19,913)	-
Employer contributions	-	24,579	(24,579)
Net investment income	-	16,786	(16,786)
Administrative expenses	-	(142)	142
Net changes	34,317	21,310	13,007
Balance at June 30, 2018	\$ 400,539	\$ 298,760	\$ 101,779

* Of the balance at June 30, 2018, \$99.6 million belonged to the primary government, \$0.1 million to First 5, and \$2 million to County Library and LAFCo.

Payable to the OPEB Plan. At June 30, 2019, the County has paid all contributions to the OPEB plan required for the year ended June 30, 2019.

Housing Authority of the County of San Mateo

Plan Description. The Housing Authority has established a separate retiree health plan (the Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan through the California Employers' Retiree Benefits Trust (CERBT). This plan provides healthcare benefits to members who directly retire from the Housing Authority on or after age 55 with 5 years of service. Retirees receive health coverage based on the unused sick leave at retirement. The Housing Authority joined the Teamsters Healthcare Fund in March 2006 to provide health coverage for its employees and retirees. This fund adjusts premium rates in October of each year.

Benefit Provisions. For each eight hours of unused sick leave, the Housing Authority will contribute \$165.00 towards the monthly health premiums for non-management retirees and their eligible dependents up to 384 hours. The contribution increases to \$200.00 monthly for each 8 hours above 384 hours unused at retirement. The retiree may choose to convert more sick leave hours each month for higher payments.

Hired before October 1, 2014. For each eight hours of unused sick leave, the Housing Authority will pay for the entire cost of monthly health premiums for management and confidential retirees and their eligible and surviving dependents until the unused sick leave is fully exhausted. Medicare eligible retirees must enroll in a health plan other than the Teamster plan that is a secondary payer to Medicare. Housing Authority will pay the entire monthly premiums for both Medicare Part B and the individual Medicare plan for retirees and their eligible and surviving dependents.

Hired on or after October 1, 2014. The Housing Authority will pay up to \$400 of the monthly health premiums for management or confidential retirees and their eligible dependents.

In the event an employee has fewer than 96 hours of unused sick leave at the time of retirement, the Housing Authority will supplement the accruals up to a maximum of 96 hours.

As of June 30, 2019, the Housing Authority has 48 active and 4 retirees that were covered by the benefit terms under the plan.

COUNTY OF SAN MATEO
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Contributions. Contribution requirements for the members and the Housing Authority are established through a Memorandum of Understanding between the Housing Authority and its applicable employee bargaining units and may be amended by agreements between the Housing Authority and the bargaining units. The annual contribution was based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the Housing Authority contributed \$52.1 thousand to the trust.

Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. As of June 30, 2019, the Housing Authority reported \$0.4 million of net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2019, and the total OPEB liability for the plan used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. For the fiscal year ended June 30, 2019, the Housing Authority recognized OPEB expense of \$66.8 thousand and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Housing Authority
DEFERRED OUTFLOWS OF RESOURCES	
Changes of OPEB-related assumptions	\$ 189
Differences between expected and actual OPEB experience	19
Differences between projected and actual earnings on OPEB investments	7
Total deferred outflows of resources	\$ 215
DEFERRED INFLOWS OF RESOURCES	
Changes of OPEB-related assumptions	\$ 16
Differences between expected and actual OPEB experience	35
Differences between projected and actual earnings on OPEB investments	14
Total deferred inflows of resources	\$ 65

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

Year Ended June 30	Housing Authority
2020	\$ 19
2021	19
2022	19
2023	17
2024	76

The changes in the net OPEB liability as of June 30, 2019 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 1,293	\$ 1,010	\$ 283
Changes recognized for the measurement period:			
Service cost	30	-	30
Interest on total OPEB liability	76	-	76
Effect of economic/demographic gains or losses	(40)	-	(40)
Changes of assumptions	214	-	214
Employer contributions	-	52	(52)
Net investment income	-	77	(77)
Benefit payments	(13)	(13)	-
Administrative expenses	-	(1)	1
Net changes	267	115	152
Balance at June 30, 2019	\$ 1,560	\$ 1,125	\$ 435

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Actuarial Assumptions. The Housing Authority's Plan was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation using the following information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2018
Actuarial assumptions:	
Discount rate	5.75%
Investment rate of return	5.75%
Inflation	2.50%
Payroll growth rate	4.02% - 9.71%
Mortality	Derived from 2014 CalPERS experience study
Pre-retirement turnover	Derived from 2014 CalPERS experience study
Healthcare trend rate	4.20% - 6.10%

The Housing Authority Plan's long-term expected rate of return is based on the investment policy of CERBT. It is invested in CERBT Strategy 3 for its assets. The asset allocation and the expected arithmetic nominal return are summarized as follows:

Asset Class	Asset Allocation	Expected Arithmetic Nominal Return
Global Equity	22%	7.40%
U.S. Fixed Income	49%	5.63%
Treasury Inflation-Protected Securities	16%	3.25%
Real Estate Investment Trusts	8%	8.17%
Commodities	5%	5.24%
Total	100%	
Expected Arithmetic Return (30 years)		5.87%
Expected Geometric Return (30 years)		5.63%

Discount Rate. The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that Housing Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on that, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. The long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Housing Authority's Net OPEB Liability to Changes in the Discount Rate. The following presents net OPEB liability of the Housing Authority, calculated using the discount rate of 5.75%, as well as what its net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current rate.

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net OPEB liability	\$ 601.2	\$ 435.0	\$ 289.7

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Sensitivity of the Housing Authority's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents net OPEB liability of the Housing Authority, calculated using the current healthcare trend cost rates, as well as what its net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 272.7	\$ 435.0	\$ 626.2

NOTE 15 – RISK MANAGEMENT

County. The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. For most insurable risks, the County, except for the Housing Authority, is self-insured except for excess insurance coverage provided by commercial insurance companies that are limited to the following:

- Real and personal property in excess of \$100 per incident, but limited to a maximum of \$500,000.
- Earthquake in excess of \$250 or 5% of the replacement value, whichever is more per incident, but limited to a maximum of \$100,000 in aggregate.
- Flood damage in excess of 5% of the replacement value per location, but limited to a maximum of \$100,000 in aggregate.
- General liability in excess of \$1,000 per incident, but limited to a maximum of \$55,000.
- Workers' compensation in excess of \$1,000 per incident including statutorily required limits.
- Auto liability in excess of \$1,000 per incident, but limited to a maximum of \$55,000.
- Malpractice in excess of \$500 per incident, but limited to a maximum of \$25,000 per claim and aggregate.

The County currently reports its risk management activities in the internal service funds, which include Workers' Compensation Insurance, Long-term Disability, and Personal Injury and Property Damage Funds. All of the County funds participate in the County self-insured programs and make payments to the corresponding internal service fund based on estimated costs to pay for prior and current years' claims.

The estimated claims liability of \$56.7 million, as reported in the internal service funds at June 30, 2019, is based on requirements of GASB Statements No. 10 and 30. Under these statements, the County is required to report a liability for claims if, prior to issuance of the financial statements, information indicates that the liability is probable and the amount of loss can be reasonably estimated. About \$54.2 million of the \$56.7 million reported was actuarially determined at a discount rate of 2%. The actuarially determined liability (which covers workers' compensation losses, general liability, and automobile liability) includes allocated loss adjustment expenses, case reserves, development of known claims, and incurred but not reported claims. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage in FY 2018-19.

Changes to the claims liability for FY 2017-18 and FY 2018-19 are as follows:

Liability at June 30, 2017	\$ 53,695
Current year claims and changes in estimates	29,844
Payments on claims	(27,341)
Liability at June 30, 2018	56,198
Current year claims and changes in estimates	30,486
Payments on claims	(29,938)
Liability at June 30, 2019	\$ 56,746

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Housing Authority. The Housing Authority is exposed to all common perils associated with the ownership and rental of real estate properties. Management has established a risk management program to minimize loss occurrence and to transfer risk through various levels of insurance. The Housing Authority is a member of Housing Authority Insurance Group (HAIG). Through HAIG, the Housing Authority maintains liability coverage for Commercial and Auto claims up to \$10 million and for public officials and employment practice up to \$1 million (defense only). All other common perils such as business, auto, and flood (where applicable) are insured through commercial insurance carriers. For fiscal year ended June 30, 2019, the Housing Authority paid \$133 thousand towards premium.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Grants

Grant monies, which represent reimbursement for costs incurred in certain federal and State programs administered by the County, are recognized as revenues when received. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. As of June 30, 2019, the County’s General Fund had a total of \$2.4 million in encumbrances.

Medical Center Third-Party Payors

The Medical Center is reimbursed for services provided to patients under certain programs administered by governmental agencies. Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation. Except as disclosed below, the Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medi-Cal programs.

Certain claims, suits and complaints arising in the ordinary course of business have been filed or are pending against the County related to the Medical Center. In the opinion of County management, such claims if disposed of unfavorably, would not have a material adverse effect on the financial position or changes in financial position of the Medical Center and are considered in the loss reserves and actuarial valuations of the County’s self-insurance program. Thus no liabilities have been accrued as of June 30, 2019, on the Medical Center’s statement of net position pertaining to these claims.

In February 2017, the Medical Center received an inquiry and documentation request from the Federal Department of Health and Human Services Office of Inspector General (HHS-OIG). The inquiry is related to the categorization, coding, or billing of a service as an inpatient service as opposed to an outpatient service. The Medical Center continues to provide documents to the HHS-OIG and the investigation is currently in progress. Although management cannot predict the ultimate outcome of this investigation, the Medical Center believes it is compliance with applicable laws and regulations and believes an unfavorable outcome would not have a material adverse effect on the financial position of the Medical Center.

The majority of the Medical Center’s receivables are related to the care of patients covered by Medi-Cal and Medicare programs, and special funding created by legislative acts that subsidize certain health care facilities that treat a disproportionate share of Medi-Cal beneficiaries and uninsured patients.

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Medical Center Concentration of Credit Risk

Receivables from federal and State government agencies represent total \$213.6 million at June 30, 2019, and Medical Center management does not believe that there is any credit risk associated with collection from these governmental agencies. Third party patient accounts receivable consist of receivables from various payors, including individuals involved in diverse activities subject to differing economic conditions, and do not represent any concentrated credit risk to the Medical Center. Management continually monitors and adjusts its allowances associated with these receivables and such allowances have historically been adequate to cover losses realized.

Medical Center Third-Party Reimbursement Agreements

The Medical Center provides services to patients covered by various reimbursement programs. The principal programs include the State of California Medi-Cal programs, Medicare, Health Plan of San Mateo (HPSM) Medi-Cal Managed Care and Medicare Care Advantage programs. The amount of revenue to recognize under these programs is subject to management's best estimates of the revenue that will ultimately be collected based on governmental regulations and contractual terms, including an assessment of risk related to potential retroactive audit adjustments and other uncertainties.

Federal Medicaid law allows local public entities such as counties to transfer permissible public funds to the State Medicaid agency to be utilized as the non-Federal share of Medicaid expenditures, which are then eligible for Federal matching funds. San Mateo County has used this mechanism, known as an Intergovernmental Transfer (IGT), to draw down Federal matching funds for several programs.

The Affordable Care Act (ACA) became effective on January 1, 2014. As a result, a portion of reimbursement under various Medi-Cal programs was shifted from supplemental program revenue to patient revenue as more of the Medical Center's patients become eligible for Medi-Cal coverage. The most significant changes were the automatic transition of patients from the Medical Center's Low Income Health Program (LIHP) to Medi-Cal, enhanced Federal Medical Assistance Percentage (FMAP) reimbursement for "newly eligible" Medi-Cal Managed Care enrollees, and temporary Medi-Cal coverage through the Hospital Presumptive Eligibility program.

California's initial Section 1115 Medicaid Waiver, the Medi-Cal Hospital/Uninsured Demonstration Project (Demonstration), was a program implemented in 2006 for paying selected hospitals, including the Medical Center, for hospital care provided to Medi-Cal and uninsured patients. The Demonstration was negotiated between the State of California's Department of Health Care Services (DHCS) and the federal Centers for Medicare and Medicaid Services (CMS), which covered the period from July 1, 2005 to October 31, 2010.

Beginning November 1, 2010, California was granted a renewal of the Section 1115 Medicaid Demonstration, which was entitled "California's Bridge to Reform" (Bridge to Reform). The Bridge to Reform Waiver covered the period from November 1, 2010, through October 31, 2015. This renewal extended the prior "Medi-Cal/Uninsured Demonstration Project".

The five-year Demonstration and Bridge to Reform Waivers affect payments for nineteen (19) public hospitals, including all University of California owned hospitals, identified as Designated Public Hospitals, and private and non-designated public safety net hospitals that serve large numbers of Medi-Cal patients.

Under the Demonstration and Bridge to Reform programs, payments for the public hospitals were comprised of: 1) fee for service (FFS) reimbursement for inpatient hospital services (exclusive of physician component); 2) Medi-Cal Disproportionate Share Hospital (DSH) payments; 3) distribution from a newly created pool of federal funding for uninsured care, known as the Safety Net Care Pool (SNCP); 4) unreimbursed cost of physician and non-physician practitioner services; and 5) costs applicable to the Coverage Initiative. In addition, the Bridge to Reform program also covers i) LIHP which includes the Medicaid Expansion Coverage (MCE) and Health Care Coverage Initiative (HCCI) previously called Coverage Initiative; and ii) Delivery System Reform Incentive Pool (DSRIP) program which is a subset of the SNCP. The non-federal share of these five types of payments is provided by the public hospitals rather than the State, primarily through Certified Public Expenditures (CPE) whereby the hospital expends its local funding

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for services to draw down federal financial participation (FFP) calculated using the Federal Medical Assistance Percentage (FMAP). The FMAP rate was 50% for all years covered by the Demonstration and Bridge to Reform Waivers dating back to 2010. For the inpatient hospital cost-based reimbursement, each hospital provided its own CPE and received the resulting federal match. For the DSH and SNCP distributions, the CPEs of all the public hospitals were used in the aggregate to draw down the federal match. The Medical Center reported its CPEs to DHCS each fiscal year through submission of the State mandated “Paragraph 14” Workbook (P14).

All CPEs reported by the Medical Center are subject to State and federal audit and final reconciliation. If at the end of the final reconciliation process it is determined that the Medical Center’s claimed CPEs resulted in an overpayment by the State, the Medical Center may be required to return the overpayment whether or not they received the federal matching funds. The Medical Center has established reserves for the uncertainty of future financial impact of potential audit and reconciliation adjustments. DSH and SNCP funds are shared among the California public hospitals participating in the Bridge to Reform Waiver, so there is uncertainty as to the outcome of all the P14 audits and their subsequent impact to DSH and SNCP funds’ allocation to each hospital. The Medical Center has recorded these anticipated revenues based on estimates provided by the California Association of Public Hospitals (CAPH), with reserves established for the uncertainty of future financial impact of potential audit and reconciliation adjustments.

At June 30, 2019, the Medical Center’s P14 cost reports under the two (2) Medicaid waiver programs have been audited for FY06 through FY10, FY12, FY14 through FY17, with the FY11 audit currently in progress. It is anticipated that FY13 and FY18 will be audited over the next several months.

The Bridge to Reform Waiver expired October 31, 2015. On December 30, 2015, CMS approved “California Medi-Cal 2020 Demonstration” (Medi-Cal 2020 Waiver) – a five year renewal of California’s Section 1115 Medicaid Waiver, which provides California public hospitals new federal funding through programs that are designed to shift the focus away from hospital-based and inpatient care, towards outpatient, primary and preventative care. A renewal of California’s Medicaid Waiver was a fundamental component to public hospital’s ability to continue to successfully implement the ACA beyond the primary step of coverage expansion.

On December 3, 2014, CMS issued a final rule on Medicaid DSH payments. The Medical Center disputed the CMS final rule and joined five other public hospitals in a lawsuit filed against CMS to protect its ability to continue providing essential health care services to Medi-Cal and uninsured patients. On January 16, 2018, the United States District Court, Northern California, granted a Summary Judgement in favor of the Medical Center and the 5 other public hospitals. CMS filed an appeal, which was ultimately withdrawn on July 18, 2018 by the United States Court of Appeals, Ninth Circuit.

Management is working with the California Association of Public Hospitals and Health System to evaluate the ultimate impact of this settlement, which is dependent on the outcome of final DSH audits for the years FY11 through FY13 for all public hospitals. Management estimates the final outcome will have a favorable effect on the Medical Center’s financial position.

Health Plan of San Mateo. HPSM, a Medi-Cal managed care plan under contract by the State, reimburses the Medical Center directly for services provided to Medi-Cal patients.

For traditional Medi-Cal patients and all newly eligible patients, the Medical Center receives a fixed monthly premium payment for each patient enrolled to cover primary care services (primary care capitation payment) and receives fee-for-service (FFS) payments for hospital and specialty care services. Further, HPSM contracted with the Federal government to provide services to Medicare HMO patients, a program called Care Advantage. The Medical Center contracted with HPSM for this program to be reimbursed at Medicare FFS rates.

The Medical Center received a total of \$65.2 million in FY19 from HPSM, which includes \$59.2 million in FFS revenue, \$4.4 million in primary care capitation revenue, \$0.6 million in IGT, and \$1.0 million for pay-for-performance (P4P) revenue. The FFS revenue is reported as a component of net patient service revenue while primary care capitation and P4P revenues are reported as premium revenues on the Statement of Revenues, Expenses and Changes in Net Position.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Medical Center is reimbursed for Graduate Medical Education and Disproportionate Share Hospital amounts at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audit thereof by the Medicare fiscal intermediary. At June 30, 2019, the last Medical Center Medicare cost report audited by the fiscal intermediary was for June 30, 2016. Medicare revenue is presented as part of net patient service revenue on the Statement of Revenues, Expenses and Changes in Net Position. At June 30, 2019, the Medical Center had \$1.3 million of reserves related to potential Medicare cost report audit adjustments.

Health Realignment. In 1991, the State enacted a major change in the State and local government relationship, known as Realignment. In the areas of mental health, social services, and health, Realignment transferred programs from the state to county control, altered program cost-sharing ratios, and provided counties with dedicated tax revenues from the sales tax and vehicle license fee to pay for these changes.

With California electing to implement a State-run Medi-Cal Expansion program offered by the Affordable Care Act, the State anticipates that counties' costs and responsibilities for the health care services for the indigent population will decrease as much of this population becomes eligible for coverage through Medi-Cal or Covered California. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State Health Realignment funding to fund social service programs. The redirected amount will be determined according to a formula-based approach that takes into account a county's cost and revenue experience, and redirects 80% of any profits (long falls) realized by the county back to the State, up to a maximum of 100% of the Realignment funds allocated. The formula options were developed in consultation with the counties and DHCS to ensure continued viability of the county as a safety net provider. In FY19, the Medical Center recognized \$2.7 million in additional AB 85 realignment revenues for estimated corrections to calculated apportionments to the Medical Center based on associated costs.

Medical Center Net Patient Service Revenue

The Medical Center provides healthcare services primarily to County residents. Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and State government programs and other third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Patient accounts receivables are recorded net of estimated allowances, which include allowances for contractual adjustments, bad debts, and administrative write-offs. These allowances are based on the collection history of closed patient accounts.

Charity Care

The Medical Center provides treatment to all patients regardless of their ability to pay. Throughout the admission, billing and collection processes, certain patients are identified by the Medical Center as qualifying for the charity-discounted-health program. Once a patient is determined to be eligible for the Medical Center program, the patient's account is classified as charity-discounted care. Costs are the basis for valuing charity care. The cost of charity care provided was approximately \$61.4 million for the year ended June 30, 2019. The total cost estimate is based on a ratio of cost to charges, where costs are allocated as a percentage of payor mix. Charity care charges are calculated as payor revenue, patient-related revenue due to sliding-scale payments, and other patient-specific sources and totaled \$89.5 million for the year ended June 30, 2019. Net charity charges over costs for the year ended June 30, 2019, amounted to \$28.1 million.

Housing Authority of the County of San Mateo

On November 11, 2016, the Housing Authority entered into an Option to Purchase Agreement with the City of Daly City to purchase David R. Rowe Park. This park is adjacent to the Midway Village Complex for purposes of creating a

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

better overall site plan for the Midway Village Redevelopment Project. The Housing Authority has recorded a prepaid option fee and purchase liability in the amounts of \$0.4 million for the future exercise of this option agreement. An asset of \$0.4 million is included in other assets as of June 30, 2019 related to an option to purchase land from Daly City.

Genentech Tax Settlement

There are currently outstanding appeals before the San Mateo County Assessment Appeals Board (AAB) brought by Genentech with respect to the assessed values of its property for tax years 2000 through 2005. Genentech's appeal applications routinely claim a 50% reduction in the value of its properties as assessed by the County. In considering the Genentech assessment appeals, the AAB has determined that for several of appeals for tax year 2003, Genentech is entitled to have its application values applied. Depending upon interest and the precise calculations used to determine the reduction of assessed value, which are still to be decided by the AAB, the total refund and interest thereon, due from all affected taxing entities, is currently estimated to be between \$7 million and \$17 million. The Assessor filed a Writ of Mandate on August 24, 2016 seeking review of a portion of the AAB decision. On July 27, 2018 the court entered judgment in favor of the Assessor and remanded the matter to the AAB. Genentech appealed that decision on August 10, 2018. Genentech has also filed separate claims against the County related to the AAB's decision. That action will go to trial on March 9, 2020. Even if the Assessor prevails on the Writ appeal and Genentech's lawsuit, a minimum of approximately \$6.7 million in refunds, plus interest, will be due to Genentech, of which approximately \$900,000 would be the County's share.

Pending Litigation

The County is a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, the loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued. County management has set aside \$1 million to cover possible loss from such litigation.

NOTE 17 – SPECIAL ITEM

Additional Pension Contribution to SamCERA

The County's total pension liability has increased over the past decade. On November 19, 2013, the Board adopted a resolution to deposit supplemental funding of \$50 million to SamCERA in fiscal year 2013-14 and \$10 million each fiscal year from fiscal years 2014-15 through 2022-23 to provide greater security for pension benefits for both active and retired members, enhance the solvency of SamCERA, and reduce County's long-term pension costs by accelerating the reduction of the net pension liability. In May 2019, the County contributed \$10 million to SamCERA.

On December 5, 2017, the Board adopted a resolution setting employer and member contribution rates for all members and employers for fiscal year 2018-19 in accordance with Government Code Sections 31453 and 31454. This resolution set the County's targeted contribution rate at 37.14%. To reach the targeted contribution rate, the County made an additional contributions of \$15.7 million to SamCERA in May 2019.

On February 12, 2019, the Board approved the utilization of unanticipated one-time Excess ERAF of \$25 million additional contribution towards the unfunded pension liability. These contributions were reported as special items on the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances.



Required Supplementary Information
(Unaudited)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

1. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The County’s infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The maintained road subsystem of the road network, with a total value of \$95 million at June 30, 2019, is reported under the modified approach and is not subject to depreciation under GASB Statement No. 34.

The County manages its maintained pavement subsystem of the road network using the Metropolitan Transportation Commission’s Pavement Management Program (Program). This Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0 – 100) for each road segment. The pavement of roads with a PCI of 40 or higher is considered in a “Fair” or better condition, and roads with a PCI of 55 or higher in a “Good” or better condition. The County requires that at least 75 percent of the primary maintained road subsystem (roads with structural sections) be maintained at a PCI of 55 or higher, and at least 65 percent of the secondary maintained pavement subsystem (roads without structural sections) at a PCI of 40 or higher. The latest complete condition assessment was completed in FY 2018-19.

PCI Condition Rating	2019	2019	2018	2018	2016	2016
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Primary:						
Good to excellent (55-100)	146.10	93.2%	146.96	93.7%	136.07	86.8%
Substandard to fair (0-54)	10.58	6.8%	9.91	6.3%	20.66	13.2%
Total	<u>156.68</u>	<u>100.0%</u>	<u>156.87</u>	<u>100.0%</u>	<u>156.73</u>	<u>100.0%</u>
Secondary:						
Fair to excellent (40-100)	140.57	88.1%	139.01	87.2%	130.07	81.6%
Substandard (0-39)	18.97	11.9%	20.36	12.8%	29.30	18.4%
Total	<u>159.54</u>	<u>100.0%</u>	<u>159.37</u>	<u>100.0%</u>	<u>159.37</u>	<u>100.0%</u>

For the fiscal year ended June 30, 2019, the actual maintenance and preservation cost exceeded the estimated costs by \$625. The variance was primarily due to increased spending required for the maintenance and preservation work.

Fiscal Year Ended June 30,	Maintenance and Preservation Cost		Variance
	Estimated	Actual	
2014	\$ 4,375	\$ 4,805	\$ (430)
2015	3,964	3,472	492
2016	4,511	4,841	(330)
2017	5,518	6,162	(644)
2018	3,839	4,092	(253)
2019	5,056	5,681	(625)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2019			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	75.87%	18.63%	0.12%	94.62%
County's proportionate share of the collective net pension liability	\$ 370,488	\$ 90,968	\$ 606	\$ 462,062
County's covered payroll	406,594	99,833	665	507,092
County's proportionate share of the collective net pension liability as a percentage of covered payroll	91.12%	91.12%	91.12%	91.12%
Plan fiduciary net position as a percentage of the total pension liability	89.96%	89.96%	89.96%	89.96%
	2018			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	77.21%	17.35%	0.11%	94.68%
County's proportionate share of the collective net pension liability	\$ 445,984	\$ 100,243	\$ 664	\$ 546,891
County's covered payroll	394,048	88,570	587	483,205
County's proportionate share of the collective net pension liability as a percentage of covered payroll	113.18%	113.18%	113.18%	113.18%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	87.49%	87.49%	87.49%
	2017			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	78.39%	16.29%	0.11%	94.79%
County's proportionate share of the collective net pension liability	\$ 558,747	\$ 116,105	\$ 771	\$ 675,623
County's covered payroll	370,325	76,952	511	447,788
County's proportionate share of the collective net pension liability as a percentage of covered payroll	150.88%	150.88%	150.88%	150.88%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	83.25%	83.25%	83.25%
	2016			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	78.75%	15.92%	0.11%	94.78%
County's proportionate share of the collective net pension liability	\$ 387,414	\$ 78,341	\$ 517	\$ 466,272
County's covered payroll	358,061	72,402	478	430,941
County's proportionate share of the collective net pension liability as a percentage of covered payroll	108.20%	108.20%	108.20%	108.20%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	87.53%	87.53%	87.53%
	2015			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	79.06%	15.41%	0.10%	94.57%
County's proportionate share of the collective net pension liability	\$ 325,438	\$ 63,439	\$ 410	\$ 389,287
County's covered payroll	333,641	65,038	420	399,099
County's proportionate share of the collective net pension liability as a percentage of covered payroll	97.54%	97.54%	97.54%	97.54%
Plan fiduciary net position as a percentage of the total pension liability	88.88%	88.88%	88.88%	88.88%

Notes to Schedule 2:

Changes in Assumptions – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2014 and June 30, 2015, 7.20% as of June 30, 2016, and was reduced to 6.92% as of June 30, 2017 and June 30, 2018.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

3. SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION PLAN

	2019			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 153,693	\$ 31,455	\$ 229	\$ 185,377
Contributions in relation to the contractually required contribution	204,361	31,455	229	236,045
Contribution deficiency (excess)	(50,668)	-	-	(50,668)
Covered payroll	420,854	103,335	688	524,877
Contributions as a percentage of covered payroll	48.56%	30.44%	33.27%	44.97%

	2018			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 142,066	\$ 28,542	\$ 199	\$ 170,807
Contributions in relation to the contractually required contribution	169,696	28,542	199	198,437
Contribution deficiency (excess)	(27,630)	-	-	(27,630)
Covered payroll	413,793	93,007	616	507,416
Contributions as a percentage of covered payroll	41.01%	30.69%	32.30%	39.11%

	2017			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 130,547	\$ 26,037	\$ 177	\$ 156,761
Contributions in relation to the contractually required contribution	164,147	26,037	177	190,361
Contribution deficiency (excess)	(33,600)	-	-	(33,600)
Covered payroll	399,906	83,099	552	483,557
Contributions as a percentage of covered payroll	41.05%	31.33%	32.08%	39.37%

	2016			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 134,538	\$ 26,931	\$ 183	\$ 161,652
Contributions in relation to the contractually required contribution	154,076	26,931	183	181,190
Contribution deficiency (excess)	(19,538)	-	-	(19,538)
Covered payroll	372,001	75,220	496	447,717
Contributions as a percentage of covered payroll	41.42%	35.80%	36.87%	40.47%

	2015			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 135,405	\$ 26,396	\$ 170	\$ 161,971
Contributions in relation to the contractually required contribution	145,405	26,396	170	171,971
Contribution deficiency (excess)	(10,000)	-	-	(10,000)
Covered payroll	358,061	72,402	478	430,941
Contributions as a percentage of covered payroll	40.61%	36.46%	35.48%	39.91%

	2014			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 112,044	\$ 31,588	\$ 204	\$ 143,836
Contributions in relation to the contractually required contribution	162,044	31,588	204	193,836
Contribution deficiency (excess)	(50,000)	-	-	(50,000)
Covered payroll	333,641	65,038	420	399,099
Contributions as a percentage of covered payroll	48.57%	48.57%	48.57%	48.57%

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Notes to Schedule 3:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Actuarial Valuation Methods and Assumptions. Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year. Actuarial methods and key assumptions for the actuarial valuation are summarized in the table below.

Actuarial Valuation (For Funding Purposes)			
Valuation date	6/30/2017	6/30/2016	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL is amortized over separate closed 15-year layers which are determined annually.		
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.		
Actuarial assumptions:			
Investment rate of return *	6.75%	7.00%	7.25%
Inflation rate (CPI)	2.50%	2.75%	3.00%
Annual projected salary increases	3.00%	3.25%	3.50%
* Net of pension plan investment and administrative expenses			
Valuation date	6/30/2014	6/30/2013	6/30/2012
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL is amortized over separate closed 15-year layers which are determined annually.		
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.		
Actuarial assumptions:			
Investment rate of return *	7.25%	7.50%	7.50%
Inflation rate (CPI)	3.00%	3.25%	3.25%
Annual projected salary increases	3.50%	3.75%	3.75%
* Net of pension plan investment and administrative expenses			

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

4. HPSM'S SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 1,409	\$ 1,343	\$ 1,187	\$ 1,253
Interest	1,494	1,369	1,265	1,284
Differences between expected and actual experience	580	642	365	(460)
Changes of assumptions	(2)	1	4	(1,472)
Benefit payments	<u>(1,169)</u>	<u>(2,335)</u>	<u>(875)</u>	<u>(709)</u>
Net change in total pension liability	2,312	1,020	1,946	(104)
Total pension liability beginning of year	<u>19,076</u>	<u>18,056</u>	<u>16,110</u>	<u>16,214</u>
Total pension liability end of year (a)	<u>\$ 21,388</u>	<u>\$ 19,076</u>	<u>\$ 18,056</u>	<u>\$ 16,110</u>
Plan fiduciary net pension				
Contributions	1,397	1,313	1,164	1,459
Net investment income	(1,086)	2,921	1,401	(71)
Benefit payments	<u>(1,169)</u>	<u>(2,335)</u>	<u>(875)</u>	<u>(709)</u>
Net change in Plan fiduciary net position	(858)	1,899	1,690	679
Plan fiduciary net position beginning of year	<u>21,332</u>	<u>19,433</u>	<u>17,743</u>	<u>17,064</u>
Plan fiduciary net position end of year (b)	<u>\$ 20,474</u>	<u>\$ 21,332</u>	<u>\$ 19,433</u>	<u>\$ 17,743</u>
Net pension liability (asset) end of year				
Plan's net pension liability (asset) (a) - (b)	\$ 914	\$ (2,256)	\$ (1,377)	\$ (1,633)
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.7%	111.8%	107.6%	110.1%
Covered payroll	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,554
Net pension liability (asset) as a percentage of covered payroll	4.11%	-11.23%	-7.58%	-9.86%

Notes to Schedule 4:

HPSM's valuation and measurement dates are the same from January 1 to December 31.

5. HPSM'S SCHEDULE OF CONTRIBUTIONS

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,397	\$ 1,313	\$ 1,164	\$ 1,437	\$ 1,368
Contributions related to actuarially determined contribution	1,397	1,313	1,164	1,459	1,333
Contribution deficiency (excess)	-	-	-	(22)	35
Covered payroll	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,536	\$ 15,990
Contributions as a percentage of covered payroll	6.29%	6.54%	6.41%	8.82%	8.34%
	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,322	\$ 1,382	\$ 1,192	\$ 1,149	\$ 1,175
Contributions related to actuarially determined contribution	1,362	1,440	1,156	1,124	1,891
Contribution deficiency (excess)	(40)	(58)	36	25	(716)
Covered payroll	\$ 14,769	\$ 13,203	\$ 12,680	\$ 11,486	\$ 10,190
Contributions as a percentage of covered payroll	9.22%	10.91%	9.12%	9.79%	18.56%

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

6. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

The table below presents information about the County's OPEB plan with the California Employers' Retiree Benefits Trust (CERBT). CalPERS, the administrator of the CERBT, issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

	<u>FY 18-19</u>	<u>FY 17-18</u>
Total OPEB liability		
Service cost	\$ 15,531	\$ 16,688
Interest on total OPEB liability	25,033	28,031
Effect of economic/demographic gains or losses	4,193	(15,855)
Effect of assumptions changes or inputs	9,473	(51,538)
Benefit payments	<u>(19,913)</u>	<u>(21,496)</u>
Net change in total OPEB liability	34,317	(44,170)
Total OPEB liability - beginning	<u>366,222</u>	<u>410,392</u>
Total OPEB liability - ending (a)	<u><u>\$ 400,539</u></u>	<u><u>\$ 366,222</u></u>
Plan fiduciary net position		
Employer contributions	\$ 24,579	\$ 29,945
Net investment income	16,786	18,552
Benefit payments	(19,913)	(21,496)
Administrative expenses	<u>(142)</u>	<u>(124)</u>
Net change in plan fiduciary net position	21,310	26,877
Plan fiduciary net position - beginning	<u>277,450</u>	<u>250,573</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 298,760</u></u>	<u><u>\$ 277,450</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 101,779</u></u>	<u><u>\$ 88,772</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.59%	75.76%
Covered payroll	\$ 601,625	\$ 576,523
Net OPEB liability as a percentage of covered payroll	16.92%	15.40%

Notes to Schedule 6:

Changes in Assumptions – The discount rate used to measure the total OPEB liability was 6.73% as of June 30, 2017 and June 30, 2018, and was reduced to 6.50% as of June 30, 2019.

Net OPEB Liability – The County's portion was \$99.7 million, or 98.03% as of June 30, 2019, and \$87.3 million, or 98.04% as of June 30, 2018.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

7. SCHEDULE OF OPEB CONTRIBUTIONS

	FY 18-19	FY 17-18	FY 16-17
Actuarially determined contribution	\$ 25,221	\$ 23,579	\$ 29,945
Contributions in relation to the actuarially determined contribution	29,161	24,579	29,945
Contribution deficiency (excess)	<u>\$ (3,940)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>
Covered payroll	\$ 601,625	\$ 576,523	\$ 552,995
Contributions as a percentage of covered payroll	4.85%	4.26%	5.42%

Notes to Schedule 7:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Actuarial Valuation Methods and Assumptions. Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year. Actuarial methods and key assumptions for the actuarial valuation are summarized in the table below.

Actuarial Valuation (For Funding Purposes)			
Valuation date	6/30/2019	6/30/2017	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	A fixed 30-year period from July 1, 2005. The remaining amortization period as of July 1, 2019 is 16 years.		
		The remaining amortization period as of July 1, 2017 is 18 years.	The remaining amortization period as of July 1, 2015 is 20 years.
Asset valuation method	5-7.3 year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value).		
Actuarial assumptions:			
Investment rate of return *	6.50%	6.73%	6.73%
Inflation rate (CPI)	2.75%	2.75%	2.75%
Annual projected salary increases	3.00%	3.00%	3.00%
Healthcare cost trend rates	5.4% in 2020-21, decreasing to 4.5% in 2080 and beyond.	7.6% in 2017-18, decreasing to 4.5% in 2073 and beyond.	6.9% in 2015-16, decreasing to 4.7% in 2070 and beyond.
Retirement age	Assumed retirement ages of 62 for general members, 50-55 for safety and probation members.		
Mortality	RP-2014 Healthy Annuitant Mortality Table for respective sex with MP-2014 Ultimate Projection Scale.	RP-2000 Healthy Combined Mortality, with adjustment for white collar workers.	RP-2000 Healthy Combined Mortality, with adjustment for white collar workers.

* Net of pension plan investment and administrative expenses

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2019
(In Thousands)

8. HOUSING AUTHORITY’S SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

	<u>FY 18-19</u>	<u>FY 17-18</u>
Total OPEB liability		
Service cost	\$ 30	\$ 31
Interest on total OPEB liability	76	71
Effect of economic/demographic gains or losses	(40)	27
Effect of assumptions changes or inputs	214	(22)
Benefit payments	<u>(13)</u>	<u>(37)</u>
Net change in total OPEB liability	267	70
Total OPEB liability - beginning	<u>1,292</u>	<u>1,222</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,559</u></u>	<u><u>\$ 1,292</u></u>
Plan fiduciary net position		
Employer contributions	\$ 52	\$ 55
Net investment income	77	43
Benefit payments	(13)	(6)
Administrative expenses	<u>(1)</u>	<u>(1)</u>
Net change in plan fiduciary net position	115	91
Plan fiduciary net position - beginning	<u>1,009</u>	<u>918</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 1,124</u></u>	<u><u>\$ 1,009</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 435</u></u>	<u><u>\$ 283</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.10%	78.08%
Covered payroll	\$ 3,644	\$ 3,351
Net OPEB liability as a percentage of covered payroll	11.94%	8.45%

9. HOUSING AUTHORITY’S SCHEDULE OF CONTRIBUTIONS

	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>
Actuarially determined contribution	\$ 52	\$ 55	\$ 46
Contributions in relation to the actuarially determined contribution	<u>52</u>	<u>55</u>	<u>46</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 3,644	\$ 3,351	\$ 3,314
Contributions as a percentage of covered payroll	1.43%	1.64%	1.39%



General Fund

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 502,716	\$ 502,716	\$ -	\$ 340,643	\$ (162,073)
Resources (inflows):					
Taxes	654,023	659,671	5,648	814,291	154,620
Licenses, permits and franchises	7,289	7,289	-	7,560	271
Fines, forfeitures and penalties	5,987	6,107	120	6,558	451
Use of money and property	15,991	15,991	-	34,466	18,475
Intergovernmental revenues	504,827	506,328	1,501	474,212	(32,116)
Charges for services	146,725	146,725	-	149,317	2,592
Interfund revenue	77,804	77,804	-	(3,265)	(81,069)
Miscellaneous revenue	36,934	41,957	5,023	30,162	(11,795)
Other financing sources	11,829	11,829	-	12,710	881
Amounts available for appropriation	1,461,409	1,473,701	12,292	1,526,011	52,310
General Government					
Board of Supervisors - Special Projects					
Salaries and benefits	4,358	4,358	-	4,131	227
Services and supplies	411	411	-	318	93
Other charges	410	410	-	310	100
Other financing uses	21	21	-	18	3
Intrafund transfers	(77)	(77)	-	(26)	(51)
Total Board of Supervisors - Special Projects	5,123	5,123	-	4,751	372
County Manager/Clerk of the Board					
Salaries and benefits	8,898	8,818	(80)	6,934	1,884
Services and supplies	16,526	16,661	135	5,404	11,257
Other charges	866	951	85	944	7
Capital assets	12	92	80	89	3
Other financing uses	21	26	5	335	(309)
Intrafund transfers	(2,698)	(2,698)	-	(771)	(1,927)
Contingencies	3,033	3,033	-	-	3,033
Total County Manager/Clerk of the Board	26,658	26,883	225	12,935	13,948
Special Services					
Salaries and benefits	787	1,043	256	702	341
Services and supplies	468	348	(120)	323	25
Other charges	19,194	19,194	-	18,808	386
Other financing uses	18	18	-	18	-
Intrafund transfers	(16,682)	(16,682)	-	(16,541)	(141)
Contingencies	970	834	(136)	-	834
Total Special Services	4,755	4,755	-	3,310	1,445
CMO Revenue Services					
Salaries and benefits	3,618	3,618	-	2,882	736
Services and supplies	783	683	(100)	470	213
Other charges	285	385	100	371	14
Other financing uses	13	13	-	11	2
Intrafund transfers	(2,818)	(2,818)	-	(2,566)	(252)
Contingencies	34	34	-	-	34
Total Assessor-Clerk-Recorder	1,915	1,915	-	1,168	747

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Assessor-Clerk-Recorder					
Salaries and benefits	22,650	23,417	767	22,006	1,411
Services and supplies	9,942	14,758	4,816	11,283	3,475
Other charges	1,736	1,736	-	1,564	172
Capital assets	5,372	7,239	1,867	148	7,091
Other financing uses	547	547	-	536	11
Intrafund transfers	(5,751)	(13,201)	(7,450)	(7,292)	(5,909)
Contingencies	1,431	1,431	-	-	1,431
Total Assessor-Clerk-Recorder	35,927	35,927	-	28,245	7,682
Controller's Office					
Salaries and benefits	8,899	8,899	-	8,621	278
Services and supplies	3,073	3,073	-	2,534	539
Other charges	2,124	2,124	-	1,480	644
Other financing uses	183	183	-	180	3
Intrafund transfers	(219)	(219)	-	(302)	83
Contingencies	1,367	1,367	-	-	1,367
Total Controller's Office	15,427	15,427	-	12,513	2,914
Tax Collector/Treasurer					
Salaries and benefits	5,826	5,826	-	4,040	1,786
Services and supplies	9,646	9,656	10	3,465	6,191
Other charges	2,239	2,239	-	917	1,322
Capital assets	140	140	-	71	69
Other financing uses	177	177	-	173	4
Intrafund transfers	(1,370)	(1,370)	-	(601)	(769)
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	16,925	16,935	10	8,065	8,870
County Counsel					
Salaries and benefits	12,788	12,834	46	12,833	1
Services and supplies	1,446	1,650	204	1,589	61
Other charges	727	691	(36)	660	31
Capital assets	10	-	(10)	-	-
Other financing uses	34	34	-	29	5
Intrafund transfers	(2,891)	(2,891)	-	(2,900)	9
Contingencies	4,008	4,008	-	-	4,008
Total County Counsel	16,122	16,326	204	12,211	4,115
Human Resources					
Salaries and benefits	15,146	15,146	-	13,771	1,375
Services and supplies	3,386	3,386	-	2,685	701
Other charges	1,802	1,802	-	1,277	525
Other financing uses	854	854	-	433	421
Intrafund transfers	(2,736)	(2,736)	-	(1,542)	(1,194)
Contingencies	495	495	-	-	495
Total Human Resources	18,947	18,947	-	16,624	2,323
Information Services					
Salaries and benefits	29,231	29,131	(100)	26,886	2,245
Services and supplies	43,599	42,268	(1,331)	26,434	15,834
Other charges	2,563	3,769	1,206	2,762	1,007
Capital assets	635	3,752	3,117	2,402	1,350
Other financing uses	737	342	(395)	342	-
Intrafund transfers	(55,149)	(55,149)	-	(42,194)	(12,955)
Contingencies	7,904	7,904	-	-	7,904
Total Information Services	29,520	32,017	2,497	16,632	15,385

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Public Works					
Salaries and benefits	31,405	31,461	56	25,642	5,819
Services and supplies	28,034	27,803	(231)	18,792	9,011
Other charges	11,970	12,470	500	3,858	8,612
Capital assets	-	175	175	112	63
Other financing uses	592	592	-	578	14
Intrafund transfers	(30,120)	(30,120)	-	(25,331)	(4,789)
Contingencies	5,421	5,421	-	-	5,421
Total Public Works	47,302	47,802	500	23,651	24,151
Non-Departmental Services					
Salaries and benefits	25,808	50,808	25,000	(7)	50,815
Services and supplies	58,762	56,800	(1,962)	77,827	(21,027)
Other charges	19,351	20,384	1,033	11,282	9,102
Capital assets	10,000	8,719	(1,281)	-	8,719
Other financing uses	87,957	64,957	(23,000)	37,282	27,675
Intrafund transfers	(484)	(484)	-	(824)	340
Contingencies	141,447	140,273	(1,174)	-	140,273
Total Non-Departmental Services	342,841	341,457	(1,384)	125,560	215,897
Total General Government	561,462	563,514	2,052	265,665	297,849
Public Protection					
Public Safety Communication					
Salaries and benefits	13,427	13,427	-	12,505	922
Services and supplies	2,760	6,149	3,389	4,217	1,932
Other charges	1,134	1,134	-	625	509
Capital assets	575	642	67	935	(293)
Other financing uses	49	49	-	47	2
Intrafund transfers	(620)	(620)	-	(118)	(502)
Contingencies	518	518	-	-	518
Total Public Safety Communication	17,843	21,299	3,456	18,211	3,088
Agricultural Commissioner					
Salaries and benefits	4,808	4,708	(100)	4,464	244
Services and supplies	656	883	227	572	311
Other charges	681	1,436	755	1,337	99
Other financing uses	4	4	-	4	-
Contingencies	356	356	-	-	356
Total Agricultural Commission	6,505	7,387	882	6,377	1,010
Grand Jury					
Services and supplies	124	124	-	112	12
Total Grand Jury	124	124	-	112	12
Message Switch					
Services and supplies	534	534	-	488	46
Other charges	210	210	-	179	31
Capital assets	72	72	-	-	72
Intrafund transfers	(196)	(196)	-	(196)	-
Contingencies	812	812	-	-	812
Total Message Switch	1,432	1,432	-	471	961

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Criminal Division					
Salaries and benefits	31,161	31,136	(25)	28,961	2,175
Services and supplies	3,234	2,934	(300)	1,421	1,513
Other charges	1,917	2,216	299	2,002	214
Capital assets	-	26	26	26	-
Other financing uses	179	179	-	161	18
Intrafund transfers	(486)	(486)	-	(111)	(375)
Contingencies	4,915	4,915	-	-	4,915
Total Criminal Division	40,920	40,920	-	32,460	8,460
Child Support Services					
Salaries and benefits	10,693	10,393	(300)	9,893	500
Services and supplies	506	756	250	577	179
Other charges	689	739	50	659	80
Other financing uses	267	267	-	254	13
Intrafund transfers	(252)	(252)	-	-	(252)
Total Child Support Services	11,903	11,903	-	11,383	520
County Support of Courts					
Salaries and benefits	8	8	-	-	8
Services and supplies	1,616	1,616	-	1,690	(74)
Other charges	19,413	19,413	-	18,418	995
Other financing uses	8	8	-	7	1
Total County Support of Courts	21,045	21,045	-	20,115	930
Private Defender Program					
Services and supplies	18,873	18,873	-	18,003	870
Other charges	25	25	-	18	7
Other financing uses	37	37	-	37	-
Total Private Defender Program	18,935	18,935	-	18,058	877
Sheriff					
Salaries and benefits	183,697	188,004	4,307	187,965	39
Services and supplies	26,817	24,313	(2,504)	21,484	2,829
Other charges	25,233	23,497	(1,736)	22,655	842
Capital assets	4,536	9,174	4,638	881	8,293
Other financing uses	25,240	25,349	109	25,114	235
Intrafund transfers	(5,336)	(5,336)	-	(4,171)	(1,165)
Contingencies	17,541	17,541	-	-	17,541
Total Sheriff	277,728	282,542	4,814	253,928	28,614
Probation					
Salaries and benefits	64,886	64,886	-	60,908	3,978
Services and supplies	8,034	8,034	-	4,865	3,169
Other charges	10,661	10,661	-	8,327	2,334
Capital assets	3,563	3,563	-	5	3,558
Other financing uses	6,375	6,375	-	6,317	58
Intrafund transfers	(133)	(133)	-	(202)	69
Contingencies	6,375	6,375	-	-	6,375
Total Probation	99,761	99,761	-	80,220	19,541

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Coroner's Office					
Salaries and benefits	2,171	2,345	174	2,345	-
Services and supplies	695	763	68	761	2
Other charges	403	353	(50)	349	4
Other financing uses	17	17	-	15	2
Contingencies	115	53	(62)	-	53
Total Coroner's Office	3,401	3,531	130	3,470	61
Local Agency Formation Commission					
Services and supplies	-	-	-	12	(12)
Other charges	-	-	-	7	(7)
Total Local Agency Formation Commission	-	-	-	19	(19)
Fire Protection					
Salaries and benefits	2	2	-	1	1
Services and supplies	9,838	9,823	(15)	9,250	573
Other charges	145	145	-	89	56
Capital assets	1,500	1,515	15	517	998
Other financing uses	403	403	-	316	87
Intrafund transfers	24	24	-	-	24
Total Fire Protection	11,912	11,912	-	10,173	1,739
Planning					
Salaries and benefits	10,178	10,178	-	9,057	1,121
Services and supplies	4,868	4,868	-	770	4,098
Other charges	1,125	1,125	-	954	171
Other financing uses	44	44	-	37	7
Intrafund transfers	(2,553)	(2,553)	-	(337)	(2,216)
Contingencies	1,191	1,191	-	-	1,191
Total Planning	14,853	14,853	-	10,481	4,372
Office of Sustainability					
Salaries and benefits	5,966	5,966	-	4,237	1,729
Services and supplies	7,107	7,800	693	4,573	3,227
Other charges	517	542	25	468	74
Capital assets	-	50	50	-	50
Other financing uses	18	18	-	15	3
Intrafund transfers	(840)	(840)	-	(640)	(200)
Contingencies	1,812	1,462	(350)	-	1,462
Total Office of Sustainability	14,580	14,998	418	8,653	6,345
Total Public Protection	540,942	550,642	9,700	474,131	76,511
Health and Sanitation					
Health Services Administration					
Salaries and benefits	6,514	6,514	-	5,712	802
Services and supplies	3,044	3,044	-	1,338	1,706
Other charges	13,072	13,072	-	567	12,505
Other financing uses	6	6	-	3	3
Intrafund transfers	(2,881)	(2,881)	-	(2,891)	10
Contingencies	404	404	-	-	404
Total Health Services Administration	20,159	20,159	-	4,729	15,430

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Health Coverage Unit					
Salaries and benefits	3,778	3,778	-	3,665	113
Services and supplies	5,406	5,406	-	4,218	1,188
Other charges	195	195	-	189	6
Contingencies	166	166	-	-	166
Total Health Coverage Unit	9,545	9,545	-	8,072	1,473
Health Policy Plan Promotion					
Salaries and benefits	23,807	23,807	-	20,776	3,031
Services and supplies	14,470	14,470	-	12,449	2,021
Other charges	2,279	2,279	-	2,064	215
Capital assets	55	55	-	44	11
Other financing uses	30	30	-	24	6
Intrafund transfers	(4,000)	(4,000)	-	(1,711)	(2,289)
Contingencies	770	770	-	-	770
Total Health Policy Plan Promotion	37,411	37,411	-	33,646	3,765
Health IT					
Salaries and benefits	6,206	6,206	-	5,059	1,147
Services and supplies	3,194	3,194	-	2,333	861
Other charges	456	456	-	442	14
Capital assets	-	-	-	21	(21)
Intrafund transfers	(3,971)	(3,971)	-	(3,941)	(30)
Total Health IT	5,885	5,885	-	3,914	1,971
Emergency Medical Services					
Salaries and benefits	2,303	2,422	119	2,421	1
Services and supplies	5,395	5,496	101	5,477	19
Other charges	366	296	(70)	292	4
Contingencies	326	326	-	-	326
Total Emergency Medical Services	8,390	8,540	150	8,190	350
Contributions to Medical Center					
Other charges	-	-	-	41,829	(41,829)
Other financing uses	58,122	58,122	-	58,122	-
Total Contributions to Medical Center	58,122	58,122	-	99,951	(41,829)
Environmental Health Services					
Salaries and benefits	13,454	13,454	-	12,745	709
Services and supplies	2,768	2,768	-	2,385	383
Other charges	1,768	1,768	-	1,338	430
Other financing uses	5	5	-	4	1
Intrafund transfers	(553)	(553)	-	(61)	(492)
Contingencies	337	337	-	-	337
Total Environmental Health Services	17,779	17,779	-	16,411	1,368
Behavioral Health Services					
Salaries and benefits	83,273	82,265	(1,008)	78,324	3,941
Services and supplies	73,140	74,148	1,008	73,154	994
Other charges	51,242	51,190	(52)	48,986	2,204
Capital assets	-	52	52	52	-
Other financing uses	439	439	-	328	111
Intrafund transfers	(2,829)	(2,829)	-	(1,688)	(1,141)
Contingencies	3,959	3,959	-	-	3,959
Total Behavioral Health Services	209,224	209,224	-	199,156	10,068

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Family Health Services					
Salaries and benefits	31,534	31,534	-	27,727	3,807
Services and supplies	3,307	3,307	-	2,723	584
Other charges	2,486	2,486	-	2,260	226
Capital assets	83	83	-	-	83
Other financing uses	3	3	-	2	1
Intrafund transfers	(2,394)	(2,394)	-	(1,762)	(632)
Contingencies	986	986	-	-	986
Total Family Health Services	36,005	36,005	-	30,950	5,055
Correctional Health Services					
Salaries and benefits	17,982	18,588	606	18,484	104
Services and supplies	8,098	7,492	(606)	5,860	1,632
Other charges	903	903	-	796	107
Capital assets	440	440	-	339	101
Intrafund transfers	(3,011)	(3,011)	-	(3,223)	212
Contingencies	402	402	-	-	402
Total Correctional Health Services	24,814	24,814	-	22,256	2,558
Total Health and Sanitation					
	427,334	427,484	150	427,275	209
Public Assistance					
Aging & Adult Services					
Salaries and benefits	23,051	23,051	-	20,759	2,292
Services and supplies	8,633	8,638	5	5,368	3,270
Other charges	7,951	7,951	-	7,248	703
Other financing uses	17	17	-	13	4
Intrafund transfers	(1,837)	(1,837)	-	(1,667)	(170)
Contingencies	742	742	-	-	742
Total Aging & Adult Services	38,557	38,562	5	31,721	6,841
In Home Support Services - Public Authority					
Other charges	3,702	3,702	-	-	3,702
Other financing uses	-	-	-	3,702	(3,702)
Total In Home Support Services - Public Authority	3,702	3,702	-	3,702	-
Human Services Agency					
Salaries and benefits	113,378	113,378	-	99,134	14,244
Services and supplies	85,248	84,548	(700)	59,598	24,950
Other charges	70,134	70,134	-	51,575	18,559
Capital assets	-	700	700	1,099	(399)
Other financing uses	1,902	1,902	-	1,655	247
Intrafund transfers	(34,085)	(34,085)	-	(26,645)	(7,440)
Contingencies	24,004	24,004	-	-	24,004
Total Human Services Agency	260,581	260,581	-	186,416	74,165
Department of Housing					
Salaries and benefits	3,256	3,256	-	2,716	540
Services and supplies	619	619	-	347	272
Other charges	52,461	52,461	-	25,080	27,381
Intrafund transfers	(3,308)	(3,308)	-	-	(3,308)
Contingencies	37	37	-	-	37
Total Department of Housing	53,065	53,065	-	28,143	24,922
Total Public Assistance					
	355,905	355,910	5	249,982	105,928

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COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
<u>Recreation</u>					
Parks & Recreation					
Salaries and benefits	11,422	11,452	30	10,325	1,127
Services and supplies	11,415	10,559	(856)	4,254	6,305
Other charges	2,342	2,683	341	2,185	498
Capital assets	1,992	2,362	370	1,262	1,100
Other financing uses	11	511	500	10	501
Intrafund transfers	(1,143)	(1,143)	-	(617)	(526)
Contingencies	2,130	2,130	-	-	2,130
Total Parks & Recreation	28,169	28,554	385	17,419	11,135
Total Recreation	28,169	28,554	385	17,419	11,135
<u>Contingencies</u>					
Contingencies	50,313	50,313	-	-	50,313
Total Contingencies	50,313	50,313	-	-	50,313
Total charges to appropriations	1,964,125	1,976,417	12,292	1,434,472	541,945
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 432,182	\$ 432,182

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (page 107)	\$ 1,526,011
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	3,265
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(12,710)
Receipts from County Agency subfunds are not budgeted but are reported as General Fund revenues for financial reporting purposes.	<u>53,546</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 29)	<u><u>\$ 1,570,112</u></u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule (page 114)	\$ 1,434,472
Differences - budget to GAAP:	
Expenditures offset by reimbursements for financial reporting purposes are outflow of budgetary appropriations, but are not expenditures for financial reporting purposes.	3,265
Encumbrances for supplies and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies and services are received for financial reporting purposes.	4,158
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(136,120)
Special item is an outflow of budgetary resources but is not an expenditure for financial reporting purposes.	(50,668)
Disbursements from sub-funds classified from County Agency Fund, not budgeted.	<u>(70,767)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 29)	<u><u>\$ 1,184,340</u></u>

See Note to the Budgetary Comparison Schedule.

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Note to the Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

BUDGETARY BASIS OF ACCOUNTING

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority and certain other special revenue funds, the County Manager's Office prepares a budget for all County funds on the modified accrual basis of accounting in accordance with California Government Code Sections 29000 and 29143.

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the object level (e.g., salaries and benefits) within a budget unit in a fund. Budget expenditures are enacted into law through the passage of an Appropriation Ordinance. The ordinance sets limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County Manager and Controller without Board of Supervisors approval, provided that the overall appropriations of budget unit are not increased. All other budget transfers and appropriations must be approved by the Board.

The County uses an encumbrance system as an extension of normal budgetary accounting for all governmental funds except for the JPFA to control expenditures. Under the encumbrance system, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered in order to reserve that portion of applicable appropriations. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end; encumbered appropriations at year-end are carried forward in the ensuing year's budget and reported in the original budget column. The budgets for governmental funds may include an object level known as "intrafund transfers" in the charges to appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund such as the General Fund.

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Annual budgets are prepared using the modified accrual basis of accounting except that (1) current year encumbrances are budgeted as expenditures, (2) reimbursements for amount disbursed on behalf of other governmental funds are reported as resources and related expenditures as charges to the appropriations, (3) certain transactions are accounted for in different periods between budgetary and GAAP reporting basis, and (4) transactions from sub-funds reclassified from County Agency funds are reported in GAAP reporting basis.

The non-departmental services budget unit had negative variance with final budget at services and supplies object level due to special item of \$50.7 million outflow of resources. Contribution to Medical Center budget unit included actual amount of \$41.8 million not budgeted due to intergovernmental revenues accrual.



Combining and Individual Fund Statements and Schedules



Nonmajor Governmental Funds

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(In Thousands)

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 147,686	\$ 29,818	\$ 111,401	\$ 288,905
Receivables (net):				
Accounts	263	-	22	285
Interest	903	138	595	1,636
Taxes	1,316	-	-	1,316
Due from other funds	2	-	1,898	1,900
Due from other governmental agencies	3,588	-	-	3,588
Prepaid items	87	-	4	91
Inventories	399	-	-	399
Advances to other funds	-	-	15	15
Total assets	\$ 154,244	\$ 29,956	\$ 113,935	\$ 298,135
LIABILITIES				
Accounts payable	\$ 10,301	\$ -	\$ 14,737	\$ 25,038
Accrued salaries and benefits	547	-	-	547
Accrued liabilities	16	-	1	17
Due to other funds	188	-	19	207
Unearned revenues	1,167	-	22	1,189
Deposits	13	-	-	13
Advances from other funds	5,942	-	-	5,942
Total liabilities	18,174	-	14,779	32,953
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,370	-	-	1,370
Total deferred inflows of resources	1,370	-	-	1,370
FUND BALANCES				
Nonspendable	486	-	4	490
Restricted	133,159	29,956	1,427	164,542
Assigned	1,313	-	97,726	99,039
Unassigned	(258)	-	(1)	(259)
Total fund balances	134,700	29,956	99,156	263,812
Total liabilities, deferred inflows of resources, and fund balances	\$ 154,244	\$ 29,956	\$ 113,935	\$ 298,135

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ 24,843	\$ -	\$ 32,732	\$ 57,575
Licenses and permits	3,786	-	-	3,786
Intergovernmental	49,245	-	233	49,478
Charges for services	24,014	-	2,035	26,049
Fines, forfeitures and penalties	1,758	-	-	1,758
Rents and concessions	157	-	-	157
Investment income	4,038	637	2,997	7,672
Other	566	6	31	603
Total revenues	<u>108,407</u>	<u>643</u>	<u>38,028</u>	<u>147,078</u>
Expenditures:				
Current:				
General government	890	-	-	890
Public protection	5,280	-	-	5,280
Public ways and facilities	23,171	-	-	23,171
Health and sanitation	24,371	-	-	24,371
Public assistance	22,486	-	-	22,486
Capital outlay	8,203	-	66,189	74,392
Debt service:				
Principal	798	-	-	798
Interest	921	-	-	921
Bond insurance	1	-	-	1
Total expenditures	<u>86,121</u>	<u>-</u>	<u>66,189</u>	<u>152,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,286</u>	<u>643</u>	<u>(28,161)</u>	<u>(5,232)</u>
Other financing sources (uses):				
Issuance of debt	104	-	-	104
Proceeds from sale of capital assets	3	-	-	3
Transfers in	6,890	52,551	36,520	95,961
Transfers out	(14,079)	(51,778)	(8,256)	(74,113)
Total other financing sources	<u>(7,082)</u>	<u>773</u>	<u>28,264</u>	<u>21,955</u>
Net change in fund balances	15,204	1,416	103	16,723
Fund balances - beginning	<u>119,496</u>	<u>28,540</u>	<u>99,053</u>	<u>247,089</u>
Fund balances - end	<u>\$ 134,700</u>	<u>\$ 29,956</u>	<u>\$ 99,156</u>	<u>\$ 263,812</u>

COUNTY OF SAN MATEO

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The County's nonmajor special revenue funds include the following:

Road Fund – is responsible for routine and emergency road maintenance, performing inspections and issuing permits, constructing and installing sidewalks, signs, road markings, and landscaping maintenance. Revenues primarily come from state highway user taxes and federal grants.

County Fire Protection Fund – provides for fire protection services to both cities and unincorporated areas in the County. Revenues are derived from property taxes on all parcels within the County's fire protection districts.

County Service Area Fund – accounts for special district funds that provide refuse disposal, water, and lighting maintenance services to specific areas in the County. Revenues are derived from user charges and property taxes.

Sewer and Sanitation Fund – accounts for special district funds that support construction and maintenance of reliable sanitary sewer systems, providing sensitive sewage treatment and disposal to sewer and sanitary districts within the County. Revenues come from user charges and property taxes.

Flood Control Zone Fund – accounts for special district funds that support various flood control projects within the flood control districts. This fund is financed through property taxes, revenue refunding bonds, and state and federal grants.

Lighting Districts Fund – accounts for special district funds that enhance the safety of residents and businesses by providing adequate lighting systems to street lighting districts within the County. Property taxes are the primary source of revenue.

Emergency Medical Services Fund – was established under Senate Bill 12/612 (Maddy legislation) to provide financial assistance for individuals and is used to pay physicians for uncompensated emergency care and hospitals providing disproportionate emergency and trauma care. This fund is financed by a special assessment imposed on court fines, forfeitures, and traffic school fees.

County Half-Cent Transportation Fund – accounts for a ½ cent sales tax revenue approved by the voters of San Mateo County in 1988 and re-approved in 2004. This fund is restricted for transportation programs sponsored by County departments and outside agencies.

County-Wide Road Improvement Fund – accounts for mitigation fees imposed on building permits. Such fees are mainly used to finance road repairs for damages caused by new developments in areas where the mitigation fees are collected.

Solid Waste Fund – accounts for revenues from management and operation of solid waste facilities owned by the County as well as aids from federal, state, and other local agencies. Revenues are primarily from licenses and permits. Expenditures are specifically restricted for resource conservation programs.

IHSS Public Authority Fund – provides for assistance in finding qualified In-Home Supportive Services (IHSS) personnel, and training of as well as support for providers and recipients of IHSS via the maintenance of a registry and referral system. This fund is primarily financed by state grants.

Other Special Revenue Funds – account for activities of several Special Revenue Funds, which include Fish and Game, Off-Highway Vehicle License Fees, Los Trancos County Maintenance District, Highlands Landscape Maintenance District, Water District, Drainage Districts, and Alameda Tree Maintenance District.

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services
ASSETS							
Cash and investments	\$ 20,820	\$ 10,552	\$ 13,013	\$ 32,553	\$ 28,280	\$ 15,632	\$ 2,076
Receivables (net):							
Accounts	213	-	25	15	-	-	10
Interest	104	96	80	191	163	92	17
Taxes	-	505	299	57	327	102	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental agencies	1,423	25	3	200	193	294	286
Prepaid items	53	-	-	5	14	-	-
Inventories	399	-	-	-	-	-	-
Total assets	<u>\$ 23,012</u>	<u>\$ 11,178</u>	<u>\$ 13,420</u>	<u>\$ 33,021</u>	<u>\$ 28,977</u>	<u>\$ 16,120</u>	<u>\$ 2,389</u>
LIABILITIES							
Accounts payable	\$ 3,131	\$ -	\$ 1,233	\$ 5,415	\$ 111	\$ 9	\$ -
Accrued salaries and benefits	376	-	1	46	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	3	-	-	-	7	-	-
Unearned revenues	-	460	257	49	281	88	10
Deposits	9	-	4	-	-	-	-
Advances from other funds	-	-	55	5,787	-	100	-
Total liabilities	<u>3,519</u>	<u>460</u>	<u>1,550</u>	<u>11,297</u>	<u>399</u>	<u>197</u>	<u>10</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	65	19	11	2	13	4	133
Total deferred inflows of resources	<u>65</u>	<u>19</u>	<u>11</u>	<u>2</u>	<u>13</u>	<u>4</u>	<u>133</u>
FUND BALANCES							
Nonspendable	452	-	-	5	14	-	-
Restricted	17,663	10,699	11,859	21,717	28,551	15,919	2,246
Assigned	1,313	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>19,428</u>	<u>10,699</u>	<u>11,859</u>	<u>21,722</u>	<u>28,565</u>	<u>15,919</u>	<u>2,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,012</u>	<u>\$ 11,178</u>	<u>\$ 13,420</u>	<u>\$ 33,021</u>	<u>\$ 28,977</u>	<u>\$ 16,120</u>	<u>\$ 2,389</u>

(Continued)

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(In Thousands)

<u>County Half-Cent Transportation</u>	<u>County-Wide Road Improvement</u>	<u>Solid Waste</u>	<u>IHSS Public Authority</u>	<u>Other Special Revenue</u>	<u>Total</u>	
\$ 5,728	\$ 4,203	\$ 13,140	\$ -	\$ 1,689	\$ 147,686	ASSETS
-	-	-	-	-	263	Cash and investments
39	31	81	-	9	903	Receivables (net):
-	-	-	-	26	1,316	Accounts
2	-	-	-	-	2	Interest
-	-	1	1,122	41	3,588	Taxes
11	-	4	-	-	87	Due from other funds
-	-	-	-	-	399	Due from other governmental agencies
<u>\$ 5,780</u>	<u>\$ 4,234</u>	<u>\$ 13,226</u>	<u>\$ 1,122</u>	<u>\$ 1,765</u>	<u>\$ 154,244</u>	Prepaid items
						Inventories
						Total assets
\$ 48	\$ -	\$ 348	\$ 6	\$ -	\$ 10,301	LIABILITIES
-	-	66	58	-	547	Accounts payable
-	-	-	16	-	16	Accrued salaries and benefits
-	-	-	178	-	188	Accrued liabilities
-	-	-	-	22	1,167	Due to other funds
-	-	-	-	-	13	Unearned revenues
-	-	-	-	-	5,942	Deposits
<u>48</u>	<u>-</u>	<u>414</u>	<u>258</u>	<u>22</u>	<u>18,174</u>	Advances from other funds
						Total liabilities
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,122</u>	<u>1</u>	<u>1,370</u>	DEFERRED INFLOWS OF RESOURCES
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,122</u>	<u>1</u>	<u>1,370</u>	Unavailable revenue
						Total deferred inflows of resources
11	-	4	-	-	486	FUND BALANCES
5,721	4,234	12,808	-	1,742	133,159	Nonspendable
-	-	-	-	-	1,313	Restricted
-	-	-	(258)	-	(258)	Assigned
<u>5,732</u>	<u>4,234</u>	<u>12,812</u>	<u>(258)</u>	<u>1,742</u>	<u>134,700</u>	Unassigned
						Total fund balances
<u>\$ 5,780</u>	<u>\$ 4,234</u>	<u>\$ 13,226</u>	<u>\$ 1,122</u>	<u>\$ 1,765</u>	<u>\$ 154,244</u>	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services
Revenues							
Taxes	\$ 50	\$ 7,640	\$ 4,956	\$ 1,491	\$ 5,514	\$ 1,912	\$ -
Licenses and permits	631	-	131	-	-	-	-
Intergovernmental	28,558	2,127	26	3	60	4	-
Charges for services	1,833	284	1,734	19,009	-	123	-
Fines, forfeitures and penalties	-	-	-	-	-	-	1,756
Rents and concessions	94	31	-	-	32	-	-
Investment income	482	356	354	843	763	430	77
Other	162	43	134	9	-	11	30
Total revenues	<u>31,810</u>	<u>10,481</u>	<u>7,335</u>	<u>21,355</u>	<u>6,369</u>	<u>2,480</u>	<u>1,863</u>
Expenditures							
Current:							
General government	-	-	268	-	-	621	-
Public protection	-	-	3,622	-	1,658	-	-
Public ways and facilities	22,678	-	-	-	-	-	-
Health and sanitation	-	-	1,964	17,756	-	-	1,073
Public assistance	-	-	-	-	-	-	-
Capital outlay	6,213	-	587	1,318	85	-	-
Debt service:							
Principal	-	-	-	148	650	-	-
Interest	-	-	-	67	854	-	-
Bond insurance	-	-	-	-	1	-	-
Total expenditures	<u>28,891</u>	<u>-</u>	<u>6,441</u>	<u>19,289</u>	<u>3,248</u>	<u>621</u>	<u>1,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,919</u>	<u>10,481</u>	<u>894</u>	<u>2,066</u>	<u>3,121</u>	<u>1,859</u>	<u>790</u>
Other financing sources (uses)							
Issuance of debt	-	-	-	104	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	1,444	-	137	-	1,506	-	-
Transfers out	(7)	(9,178)	-	-	(1,506)	-	(883)
Total other financing sources (uses)	<u>1,437</u>	<u>(9,178)</u>	<u>137</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>(883)</u>
Net change in fund balances	4,356	1,303	1,031	2,170	3,121	1,859	(93)
Fund balances - beginning	<u>15,072</u>	<u>9,396</u>	<u>10,828</u>	<u>19,552</u>	<u>25,444</u>	<u>14,060</u>	<u>2,339</u>
Fund balances - end	<u>\$ 19,428</u>	<u>\$ 10,699</u>	<u>\$ 11,859</u>	<u>\$ 21,722</u>	<u>\$ 28,565</u>	<u>\$ 15,919</u>	<u>\$ 2,246</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total
\$ 2,883	\$ -	\$ -	\$ -	\$ 397	\$ 24,843
-	-	3,024	-	-	3,786
-	-	34	18,432	1	49,245
-	483	24	517	7	24,014
-	-	-	-	2	1,758
-	-	-	-	-	157
157	143	391	-	42	4,038
-	-	26	12	139	566
<u>3,040</u>	<u>626</u>	<u>3,499</u>	<u>18,961</u>	<u>588</u>	<u>108,407</u>
-	-	-	-	1	890
-	-	-	-	-	5,280
341	-	-	-	152	23,171
-	-	3,576	-	2	24,371
-	-	-	22,486	-	22,486
-	-	-	-	-	8,203
-	-	-	-	-	798
-	-	-	-	-	921
-	-	-	-	-	1
<u>341</u>	<u>-</u>	<u>3,576</u>	<u>22,486</u>	<u>155</u>	<u>86,121</u>
<u>2,699</u>	<u>626</u>	<u>(77)</u>	<u>(3,525)</u>	<u>433</u>	<u>22,286</u>
-	-	-	-	-	104
-	-	3	-	-	3
-	-	101	3,702	-	6,890
<u>(1,286)</u>	<u>(1,078)</u>	<u>(141)</u>	<u>-</u>	<u>-</u>	<u>(14,079)</u>
<u>(1,286)</u>	<u>(1,078)</u>	<u>(37)</u>	<u>3,702</u>	<u>-</u>	<u>(7,082)</u>
1,413	(452)	(114)	177	433	15,204
<u>4,319</u>	<u>4,686</u>	<u>12,926</u>	<u>(435)</u>	<u>1,309</u>	<u>119,496</u>
<u>\$ 5,732</u>	<u>\$ 4,234</u>	<u>\$ 12,812</u>	<u>\$ (258)</u>	<u>\$ 1,742</u>	<u>\$ 134,700</u>

Revenues

Taxes
Licenses and permits
Intergovernmental
Charges for services
Fines, forfeitures and penalties
Rents and concessions
Investment income
Other
Total revenues

Expenditures

Current:
General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Capital outlay
Debt service:
Principal
Interest
Bond insurance
Total expenditures

Excess (deficiency) of revenues over
(under) expenditures

Other financing sources (uses)

Issuance of debt
Proceeds from sale of capital assets
Transfers in
Transfers out
Total other financing sources (uses)

Net change in fund balances

Fund balances - beginning

Fund balances - end

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 15,125	\$ 15,125	\$ -	\$ 12,925	\$ (2,200)
Resources (inflows):					
Taxes	51	120	69	50	(70)
Licenses, permits and franchises	300	300	-	631	331
Use of money and property	141	141	-	576	435
Intergovernmental revenues	26,542	26,542	-	28,558	2,016
Charges for services	9	9	-	1,833	1,824
Interfund revenue	1,637	1,637	-	-	(1,637)
Miscellaneous revenue	342	342	-	162	(180)
Other financing sources	2,670	2,670	-	1,444	(1,226)
Amounts available for appropriation	31,692	31,761	69	33,254	1,493
Charges to appropriations (outflows):					
Public ways and facilities					
Salaries and benefits	11,696	11,696	-	10,556	1,140
Services and supplies	17,034	17,103	69	11,597	5,506
Other charges	1,323	1,323	-	1,836	(513)
Capital assets	7,073	7,073	-	6,213	860
Other financing uses	8	8	-	7	1
Intrafund transfers	(1,295)	(1,295)	-	(1,311)	16
Contingencies	10,978	10,978	-	-	10,978
Total charges to appropriations	46,817	46,886	69	28,898	17,988
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 17,281	\$ 17,281

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 33,254
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(1,444)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 31,810

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 28,898
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(7)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 28,891

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Fire Protection Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 9,398	\$ 9,398	\$ -	\$ 9,396	\$ (2)
Resources (inflows):					
Taxes	6,186	6,186	-	7,640	1,454
Use of money and property	77	77	-	387	310
Intergovernmental revenues	2,118	2,118	-	2,127	9
Charges for services	280	280	-	284	4
Miscellaneous revenue	20	20	-	43	23
Amounts available for appropriation	8,681	8,681	-	10,481	1,800
Charges to appropriations (outflows):					
Public protection					
Other Financing Uses	10,412	10,412	-	9,178	1,234
Non-general fund reserves	7,667	7,667	-	-	7,667
Total charges to appropriations	18,079	18,079	-	9,178	8,901
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 10,699	\$ 10,699

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 9,178
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(9,178)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ -

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Service Area Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 11,271	\$ 11,293	\$ 22	\$ 10,828	\$ (465)
Resources (inflows):					
Taxes	4,051	4,389	338	4,956	567
Licenses, permits and franchises	148	148	-	131	(17)
Use of money and property	88	88	-	354	266
Intergovernmental revenues	85	85	-	26	(59)
Charges for services	1,675	1,675	-	1,734	59
Miscellaneous revenue	4	4	-	134	130
Other financing sources	137	137	-	137	-
Amounts available for appropriation	6,188	6,526	338	7,472	946
Charges to appropriations (outflows):					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	135	135	-	65	70
Services and supplies	6,464	6,785	321	5,754	1,031
Other charges	53	89	36	35	54
Capital assets	459	797	338	587	210
Contingencies	1,116	1,116	-	-	1,116
Non-general fund reserves	9,232	8,897	(335)	-	8,897
Total charges to appropriations	17,459	17,819	360	6,441	11,378
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 11,859	\$ 11,859

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 7,472
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(137)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 7,335

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Sewer and Sanitation Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 25,920	\$ 26,710	\$ 790	\$ 18,220	\$ (8,490)
Resources (inflows):					
Taxes	733	733	-	1,491	758
Use of money and property	172	172	-	843	671
Intergovernmental revenues	3	3	-	3	-
Charges for services	16,388	16,388	-	19,009	2,621
Interfund revenue	3,888	3,888	-	-	(3,888)
Miscellaneous revenue	-	-	-	9	9
Other financing sources	116	116	-	104	(12)
Amounts available for appropriation	21,300	21,300	-	21,459	159
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	1,463	1,463	-	1,338	125
Services and supplies	16,990	16,990	-	13,743	3,247
Other charges	4,461	5,251	790	2,890	2,361
Capital assets	11,674	11,674	-	1,318	10,356
Other financing uses	115	115	-	-	115
Contingencies	12,439	12,439	-	-	12,439
Non-General Fund Reserves	78	78	-	-	78
Total charges to appropriations	47,220	48,010	790	19,289	28,721
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 20,390	\$ 20,390

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 21,459
Differences - budget to GAAP:	
Issuance of debt are budgetary resources but are not revenues for financing reporting purposes.	(104)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 21,355

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Flood Control Zone Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 26,140	\$ 26,481	\$ 341	\$ 25,445	\$ (1,036)
Resources (inflows):					
Taxes	3,443	3,443	-	5,514	2,071
Use of money and property	180	180	-	795	615
Intergovernmental revenues	18	18	-	60	42
Other financing sources	3,450	3,450	-	1,506	(1,944)
Amounts available for appropriation	7,091	7,091	-	7,875	784
Charges to appropriations (outflows):					
Public protection					
Services and supplies	2,545	2,545	-	838	1,707
Other charges	2,530	3,501	971	2,325	1,176
Capital assets	4,000	4,000	-	85	3,915
Other financing uses	4,966	4,966	-	1,506	3,460
Contingencies	19,190	18,560	(630)	-	18,560
Total charges to appropriations	33,231	33,572	341	4,754	28,818
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 28,566	\$ 28,566

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 7,875
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes	(1,506)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 6,369

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,754
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(1,506)
changes in fund balances - nonmajor special revenue funds	\$ 3,248

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Lighting Districts Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 14,115</u>	<u>\$ 14,172</u>	<u>\$ 57</u>	<u>\$ 14,060</u>	<u>\$ (112)</u>
Resources (inflows):					
Taxes	858	858	-	1,912	1,054
Use of money and property	106	106	-	430	324
Intergovernmental revenues	4	4	-	4	-
Interfund revenue	280	280	-	-	(280)
Charges for services	-	-	-	123	123
Miscellaneous revenue	-	-	-	11	11
Amounts available for appropriation	<u>1,248</u>	<u>1,248</u>	<u>-</u>	<u>2,480</u>	<u>1,232</u>
Charges to appropriations (outflows):					
General government					
Services and supplies	1,745	1,745	-	601	1,144
Other charges	32	89	57	20	69
Intrafund transfers	4	4	-	-	4
Contingencies	13,582	13,582	-	-	13,582
Total charges to appropriations	<u>15,363</u>	<u>15,420</u>	<u>57</u>	<u>621</u>	<u>14,799</u>
Budgetary fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,919</u></u>	<u><u>\$ 15,919</u></u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 2,497	\$ 2,497	\$ -	\$ 2,339	\$ (158)
Resources (inflows):					
Fines, forfeitures and penalties	1,476	1,476	-	1,756	280
Use of money and property	20	20	-	77	57
Miscellaneous revenue	25	25	-	30	5
Amounts available for appropriation	1,521	1,521	-	1,863	342
Charges to appropriations (outflows):					
Health and sanitation					
Services and supplies	1,998	1,998	-	1,073	925
Other financing uses	-	-	-	883	(883)
Non-general fund reserves	2,020	2,020	-	-	2,020
Total charges to appropriations	4,018	4,018	-	1,956	2,062
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 2,246	\$ 2,246

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,956
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(883)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 1,073

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Half-Cent Transportation Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 4,339	\$ 4,339	\$ -	\$ 4,319	\$ (20)
Resources (inflows):					
Taxes	1,865	1,865	-	2,883	1,018
Use of money and property	-	-	-	157	157
Amounts available for appropriation	1,865	1,865	-	3,040	1,175
Charges to appropriations (outflows):					
Public ways and facilities					
Services and supplies	4,115	4,115	-	205	3,910
Other charges	167	167	-	136	31
Other financing uses	1,922	1,922	-	1,286	636
Total charges to appropriations	6,204	6,204	-	1,627	4,577
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 5,732	\$ 5,732

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,627
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(1,286)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 341

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County-Wide Road Improvement Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 4,707	\$ 4,707	\$ -	\$ 4,686	\$ (21)
Resources (inflows):					
Use of money and property	25	25	-	143	118
Charges for services	350	350	-	483	133
Amounts available for appropriation	375	375	-	626	251
Charges to appropriations (outflows):					
Public ways and facilities					
Other financing uses	1,563	1,563	-	1,078	485
Non-general fund reserves	3,519	3,519	-	-	3,519
Total charges to appropriations	5,082	5,082	-	1,078	4,004
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 4,234	\$ 4,234

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,078
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(1,078)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ -

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Solid Waste Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 10,053	\$ 10,053	\$ -	\$ 12,925	\$ 2,872
Resources (inflows):					
Licenses, permits and franchises	2,885	2,885	-	3,024	139
Fines, forfeitures & penalties			-	-	-
Use of money and property	88	88	-	391	303
Intergovernmental revenues	17	17	-	34	17
Charges for services	908	908	-	24	(884)
Interfund revenue			-	-	-
Miscellaneous revenue	-	-	-	26	26
Other financing sources	263	263	-	104	(159)
Amounts available for appropriation	<u>4,161</u>	<u>4,161</u>	<u>-</u>	<u>3,603</u>	<u>(558)</u>
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	1,983	1,833	(150)	1,680	153
Services and supplies	1,853	2,303	450	1,388	915
Other charges	832	1,532	700	508	1,024
Other financing uses	295	295	-	141	154
Intrafund transfers			-		-
Contingencies			-		-
Non-general fund reserves	9,251	8,251	(1,000)	-	8,251
Total charges to appropriations	<u>14,214</u>	<u>14,214</u>	<u>-</u>	<u>3,717</u>	<u>10,497</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,811</u>	<u>\$ 12,811</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,603
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(104)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,499</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 3,717
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(141)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,576</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
In-Home Supportive Services Public Authority Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 862	\$ 862	\$ -	\$ (1,036)	\$ (1,898)
Resources (inflows):					
Intergovernmental revenues	25,082	25,082	-	18,432	(6,650)
Charges for services	-	-	-	517	517
Interfund Revenue	3,970	3,970	-	-	(3,970)
Miscellaneous revenue	-	-	-	12	12
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	29,052	29,052	-	22,663	(6,389)
Charges to appropriations (outflows):					
Public assistance					
Salaries and benefits	1,944	1,944	-	1,501	443
Services and supplies	5,394	5,394	-	5,082	312
Other charges	22,114	22,114	-	16,317	5,797
Intrafund Transfers	(400)	(400)	-	(414)	14
Non-general fund reserves	862	862	-	-	862
Total charges to appropriations	29,914	29,914	-	22,486	7,428
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ (859)	\$ (859)

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 22,663
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(3,702)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 18,961

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<u>Highlands Landscape Maintenance District</u>					
Budgetary fund balance, July 1	\$ 890	\$ 890	\$ -	\$ 300	\$ (590)
Resources (inflows):					
Taxes	40	40	-	-	(40)
Use of money and property	6	6	-	42	36
Charges for services	7	7	-	7	-
Intergovernmental	-	-	-	1	1
Miscellaneous revenue	-	-	-	139	139
Amounts available for appropriation	<u>53</u>	<u>53</u>	<u>-</u>	<u>189</u>	<u>136</u>
Charges to appropriations (outflows):					
General Government					
Services and supplies	85	85	-	3	82
Contingencies	709	709	-	-	709
Non-general fund reserves	149	149	-	-	149
Total charges to appropriations	<u>943</u>	<u>943</u>	<u>-</u>	<u>3</u>	<u>940</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486</u>	<u>\$ 486</u>
<u>Los Trancos County Maintenance Fund</u>					
Budgetary fund balance, July 1	\$ 366	\$ 366	\$ -	\$ 34	\$ (332)
Resources (inflows):					
Taxes	213	213	-	397	184
Amounts available for appropriation	<u>213</u>	<u>213</u>	<u>-</u>	<u>397</u>	<u>184</u>
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	330	330	-	152	178
Other Charges	9	9	-	-	9
Fixed Assets	83	83	-	-	83
Non-general fund reserves	157	157	-	-	157
Total charges to appropriations	<u>579</u>	<u>579</u>	<u>-</u>	<u>152</u>	<u>427</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279</u>	<u>\$ 279</u>
<u>Fish and Game Fund</u>					
Budgetary fund balance, July 1	\$ 57	\$ 57	\$ -	\$ 57	\$ -
Resources (inflows):					
Miscellaneous Revenue	2	2	-	2	-
Amounts available for appropriation	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	10	10	-	-	10
Non-general fund reserves	49	49	-	-	49
Total charges to appropriations	<u>59</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>59</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>
<u>Total - Other Special Revenue Funds</u>					
Budgetary fund balance, July 1	\$ 1,313	\$ 1,313	\$ -	\$ 391	\$ (922)
Resources (inflows)	268	268	-	588	320
Charges to appropriations (outflows)	<u>1,581</u>	<u>1,581</u>	<u>-</u>	<u>155</u>	<u>1,426</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824</u>	<u>\$ 824</u>

COUNTY OF SAN MATEO

Nonmajor Governmental Funds

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for, and payment of, principal and interest on the County's general long-term debt.

Other Debt Service Fund – was established to centrally budget all County debt service payments. Amounts are transferred into this fund from various funding sources before payments are made.

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Debt Service Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 21,687	\$ 21,687	\$ -	\$ 28,540	\$ 6,853
Resources (inflows):					
Use of money and property	-	-	-	637	637
Miscellaneous revenue	-	-	-	6	6
Other financing sources	52,939	52,939	-	52,551	(388)
Amount available for appropriation	<u>52,939</u>	<u>52,939</u>	<u>-</u>	<u>53,194</u>	<u>255</u>
Charges to appropriations (outflows):					
Other charges	52,076	52,076	-	-	52,076
Other financing uses	-	-	-	51,778	(51,778)
Non-general fund reserves	22,550	22,550	-	-	22,550
Total charges to appropriations	<u>74,626</u>	<u>74,626</u>	<u>-</u>	<u>51,778</u>	<u>22,848</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,956</u>	<u>\$ 29,956</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 53,194
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(52,551)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 643</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 51,778
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(51,778)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ -</u>

COUNTY OF SAN MATEO

Nonmajor Governmental Funds

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or the acquisition and construction of major facilities other than those financed by the proprietary funds.

Parks Acquisition Fund – is used for the acquisition of land for the County Park System and the development of County park facilities. Revenues in this fund initially came from a one-time sale of land at San Bruno Mountain. Current revenues come from grants and interest earnings.

Accumulated Capital Outlay Fund – accounts for appropriations for County capital improvement projects. Revenues are derived from selling the County real properties and interest earnings.

Criminal Facility Fund – was established to support construction, reconstruction, expansion, improvement, operation or maintenance of criminal justice facilities. For every \$10 of all criminal and traffic fines, and bail and imposed penalties; a \$2.25 penalty assessment is added to the fines and placed into this fund. A penalty assessment of \$1.50 is put into this fund for every parking offense paid. The County's Probation Department also deposits \$1 into this fund for every \$10 in fines collected pursuant to Government Code 76004.

Courthouse Construction Fund – was established to finance construction and rehabilitation of courtrooms. Revenues for this fund are identical to the Criminal Facility Construction Fund above.

Other Capital Projects Fund – was established to centrally budget other capital improvement projects in the County.

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019
(In Thousands)

	Parks Acquisition	Accumulated Capital Outlay	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
ASSETS						
Cash and investments	\$ 1,803	\$ 86,383	\$ 1,464	\$ -	\$ 21,751	\$ 111,401
Accounts receivable	-	-	11	11	-	22
Interest receivable	8	512	12	-	63	595
Due from other funds	-	-	-	-	1,898	1,898
Prepaid items	-	-	-	-	4	4
Advances to other funds	-	-	-	-	15	15
Total assets	<u>\$ 1,811</u>	<u>\$ 86,895</u>	<u>\$ 1,487</u>	<u>\$ 11</u>	<u>\$ 23,731</u>	<u>\$ 113,935</u>
LIABILITIES						
Accounts payable	\$ 384	\$ -	\$ -	\$ -	\$ 14,353	\$ 14,737
Accrued liabilities	-	-	-	1	-	1
Due to other funds	-	-	-	-	19	19
Unearned revenues	-	-	11	11	-	22
Total liabilities	<u>384</u>	<u>-</u>	<u>11</u>	<u>12</u>	<u>14,372</u>	<u>14,779</u>
FUND BALANCES						
Nonspendable	-	-	-	-	4	4
Restricted	1,427	-	-	-	-	1,427
Assigned	-	86,895	1,476	-	9,355	97,726
Unassigned	-	-	-	(1)	-	(1)
Total fund balances	<u>1,427</u>	<u>86,895</u>	<u>1,476</u>	<u>(1)</u>	<u>9,359</u>	<u>99,156</u>
Total liabilities, and fund balances	<u>\$ 1,811</u>	<u>\$ 86,895</u>	<u>\$ 1,487</u>	<u>\$ 11</u>	<u>\$ 23,731</u>	<u>\$ 113,935</u>

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Parks Acquisition	Accumulated Capital Outlays	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
Revenues:						
Taxes	\$ 1,623	\$ -	\$ -	\$ -	\$ 31,109	\$ 32,732
Intergovernmental	157	-	-	-	76	233
Charges for services	-	-	1,017	1,018	-	2,035
Investment income	48	2,491	54	-	404	2,997
Other	25	-	-	-	6	31
Total revenues	<u>1,853</u>	<u>2,491</u>	<u>1,071</u>	<u>1,018</u>	<u>31,595</u>	<u>38,028</u>
Expenditures:						
Capital outlay	1,999	-	-	-	64,190	66,189
Total expenditures	<u>1,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,190</u>	<u>66,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146)</u>	<u>2,491</u>	<u>1,071</u>	<u>1,018</u>	<u>(32,595)</u>	<u>(28,161)</u>
Other financing sources (uses)						
Transfers in	23	-	-	174	36,323	36,520
Transfers out	(820)	-	(1,100)	(1,225)	(5,111)	(8,256)
Total other financing sources (uses)	<u>(797)</u>	<u>-</u>	<u>(1,100)</u>	<u>(1,051)</u>	<u>31,212</u>	<u>28,264</u>
Net change in fund balances	(943)	2,491	(29)	(33)	(1,383)	103
Fund balances - beginning	<u>2,370</u>	<u>84,404</u>	<u>1,505</u>	<u>32</u>	<u>10,742</u>	<u>99,053</u>
Fund balances - end	<u>\$ 1,427</u>	<u>\$ 86,895</u>	<u>\$ 1,476</u>	<u>\$ (1)</u>	<u>\$ 9,359</u>	<u>\$ 99,156</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Parks Acquisition Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 2,537	\$ 2,537	\$ -	\$ 2,370	\$ (167)
Resources (inflows):					
Taxes	10,342	10,342	-	1,623	(8,719)
Use of money and property	20	20	-	48	28
Intergovernmental revenues	968	968	-	157	(811)
Miscellaneous revenue	-	25	25	25	-
Other financing sources	2,388	2,388	-	23	(2,365)
Amounts available for appropriation	13,718	13,743	25	1,876	(11,867)
Charges to appropriations (outflows):					
Services and supplies	6,717	6,742	25	1,283	5,459
Other charges	-	690	690	690	-
Capital assets	6,526	5,606	(920)	26	5,580
Other financing uses	1,102	2,022	920	820	1,202
Non-general fund reserves	1,910	1,220	(690)	-	1,220
Total charges to appropriations	16,255	16,280	25	2,819	13,461
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 1,427	\$ 1,427

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,876
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(23)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ 1,853

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,819
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(820)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ 1,999

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Accumulated Capital Outlays Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 84,787	\$ 84,787	\$ -	\$ 84,404	\$ (383)
Resources (inflows):					
Use of money and property	500	500	-	2,491	1,991
Amounts available for appropriation	500	500	-	2,491	1,991
Charges to appropriations (outflows):					
Other financing uses	45,900	45,900	-	-	45,900
Non-general fund reserves	39,387	39,387	-	-	39,387
Total charges to appropriations	85,287	85,287	-	-	85,287
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 86,895	\$ 86,895

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Criminal Facility Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 1,512	\$ 1,512	\$ -	\$ 1,505	\$ (7)
Resources (inflows):					
Use of money and property	18	18	-	54	36
Charges for services	900	900	-	1,017	117
Amounts available for appropriation	918	918	-	1,071	153
Charges to appropriations (outflows):					
Other financing uses	1,100	1,100	-	1,100	-
Non-general fund reserves	1,330	1,330	-	-	1,330
Total charges to appropriations	2,430	2,430	-	1,100	1,330
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 1,476	\$ 1,476

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,100
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(1,100)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ -

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Courthouse Construction Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 33	\$ 33	\$ -	\$ 32	\$ (1)
Resources (inflows):					
Charges for services	900	900	-	1,018	118
Interfund Revenue	464	464	-	-	(464)
Other financing sources	-	-	-	174	174
Amounts available for appropriation	<u>1,364</u>	<u>1,364</u>	<u>-</u>	<u>1,192</u>	<u>(172)</u>
Charges to appropriations (outflows):					
Other financing uses	1,365	1,365	-	1,225	140
Non-general fund reserves	32	32	-	-	32
Total charges to appropriations	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>1,225</u>	<u>172</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,192
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(174)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 1,018</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,225
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,225)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ -</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 11,704	\$ 11,704	\$ -	\$ 10,742	\$ (962)
Resources (inflows):					
Taxes	58,251	55,754	(2,497)	31,109	(24,645)
Use of money and property	-	-	-	404	404
Intergovernmental revenues	-	-	-	76	76
Miscellaneous revenue	-	-	-	6	6
Other financing sources	167,069	169,973	2,904	36,323	(133,650)
Amounts available for appropriation	<u>225,320</u>	<u>225,727</u>	<u>407</u>	<u>67,918</u>	<u>(157,809)</u>
Charges to appropriations (outflows):					
Services and supplies	-	14,053	14,053	14,193	(140)
Other charges	-	-	-	80	(80)
Capital assets	227,474	214,328	(13,146)	49,947	164,381
Contingencies	3,685	3,685	-	-	3,685
Other financing uses	5,865	5,365	(500)	5,111	254
Total charges to appropriations	<u>237,024</u>	<u>237,431</u>	<u>407</u>	<u>69,331</u>	<u>168,100</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,329</u>	<u>\$ 9,329</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 67,918
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(36,323)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 31,595</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 69,331
Differences - budget to GAAP:	
Encumbrances for supplies and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies and services are received for financial reporting purposes.	(30)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(5,111)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 64,190</u>



Nonmajor Enterprise Funds

COUNTY OF SAN MATEO

Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing goods or services (including depreciation and amortization) to the general public be financed primarily through user charges on a continuing basis; or where the County has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Airports Fund – was established to provide for operations and maintenance of San Carlos and Half Moon Bay aviation facilities. Revenues are derived from facility rental and federal aid.

Coyote Point Marina Fund – provides and maintains a fully utilized recreational facility for the boating public. Revenues arise from berth and facility rentals as well as interest earnings.

COUNTY OF SAN MATEO
Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
June 30, 2019
(In Thousands)

	Airports	Coyote Point Marina	Total
ASSETS			
Current assets:			
Cash and investments	\$ 2,321	\$ 1,277	\$ 3,598
Receivables (net):			
Accounts	32	22	54
Interest	14	7	21
Due from other governmental agencies	19	44	63
Prepaid items	6	2	8
Total current assets	2,392	1,352	3,744
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	6,844	1,334	8,178
Construction in progress	2,492	-	2,492
Depreciable:			
Structures and improvements	33,597	15,685	49,282
Equipment	268	86	354
Less accumulated depreciation	(12,073)	(7,875)	(19,948)
Total capital assets	31,128	9,230	40,358
Total noncurrent assets	31,128	9,230	40,358
Total assets	33,520	10,582	44,102
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related items	465	112	577
OPEB-related items	67	22	89
Total deferred outflows of resources	532	134	666
LIABILITIES			
Current liabilities:			
Accounts payable	293	38	331
Accrued interest payable	-	96	96
Accrued salaries and benefits	60	17	77
Unearned revenues	27	-	27
Deposits	1	3	4
Notes payable - current	-	69	69
Compensated absences - current	84	14	98
Total current liabilities	465	237	702
Noncurrent liabilities:			
Net pension liability - noncurrent	653	190	843
Net OPEB liability - noncurrent	164	55	219
Notes payable - noncurrent	-	2,174	2,174
Compensated absences - noncurrent	40	-	40
Total noncurrent liabilities	857	2,419	3,276
Total liabilities	1,322	2,656	3,978
DEFERRED INFLOWS OF RESOURCES			
OPEB-related items	79	26	105
Total deferred inflows of resources	79	26	105
NET POSITION			
Net investment in capital assets	31,128	6,987	38,115
Unrestricted	1,523	1,047	2,570
Total net position	\$ 32,651	\$ 8,034	\$ 40,685

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 63	\$ 1,441	\$ 1,504
Rent and concessions	3,784	26	3,810
Miscellaneous	<u>1,039</u>	<u>2</u>	<u>1,041</u>
Total operating revenues	<u>4,886</u>	<u>1,469</u>	<u>6,355</u>
Operating expenses:			
Salaries and benefits	1,293	375	1,668
Pension expense	186	31	217
OPEB expense	24	8	32
General and administrative	2,600	477	3,077
Depreciation and amortization	<u>608</u>	<u>314</u>	<u>922</u>
Total operating expenses	<u>4,711</u>	<u>1,205</u>	<u>5,916</u>
Operating income	<u>175</u>	<u>264</u>	<u>439</u>
Nonoperating revenues (expenses):			
State and federal grants	27	44	71
Investment income	82	28	110
Interest expense	<u>(10)</u>	<u>(105)</u>	<u>(115)</u>
Total nonoperating revenues (expenses)	<u>99</u>	<u>(33)</u>	<u>66</u>
Income (loss) before transfers	274	231	505
Transfers in	<u>114</u>	<u>-</u>	<u>114</u>
Change in net position	388	231	619
Net position - beginning	<u>32,263</u>	<u>7,803</u>	<u>40,066</u>
Net position - end	<u>\$ 32,651</u>	<u>\$ 8,034</u>	<u>\$ 40,685</u>

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Airports	Coyote Point Marina	Total
Cash flows from operating activities			
Cash receipts from customers	\$ 4,986	\$ 1,433	\$ 6,419
Cash paid to suppliers of goods and services	(2,572)	(445)	(3,017)
Cash paid to employees for services	(1,575)	(423)	(1,998)
Net cash provided by operating activities	839	565	1,404
Cash flows from noncapital financing activities			
Transfers received from other funds	114	-	114
State and federal grants receipts	27	-	27
Net cash provided by noncapital financing activities	141	-	141
Cash flows from capital and related financing activities			
Acquisition of capital assets	(1,888)	-	(1,888)
Principal paid on long-term liabilities	(363)	(66)	(429)
Interest paid on long-term liabilities	(16)	(107)	(123)
Net cash (used in) capital and related financing activities	(2,267)	(173)	(2,440)
Cash flows from investing activities			
Investment income received	81	68	149
Net cash provided by investing activities	81	68	149
Net change in cash and cash equivalents	(1,206)	460	(746)
Cash and cash equivalents, beginning	3,527	817	4,344
Cash and cash equivalents, end	\$ 2,321	\$ 1,277	\$ 3,598
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ 175	\$ 264	\$ 439
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	608	314	922
Decrease (increase) in:			
Accounts receivable	-	8	8
Due from other governmental agencies	88	(44)	44
Increase (decrease) in:			
Accounts payable	28	32	60
Accrued salaries and benefits	8	2	10
Unearned revenues	13	-	13
Net pension liability	(137)	(36)	(173)
Net OPEB liability	68	23	91
Compensated absences	13	10	23
Deferred inflows of resources	(24)	(8)	(32)
Net cash provided by (used in) operating activities	\$ 839	\$ 565	\$ 1,404



Internal Service Funds

COUNTY OF SAN MATEO

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal Service Funds used by the County include the following:

Fleet Maintenance Fund – provides vehicle and equipment acquisition, replacement, maintenance, repair, and fuel services to all County agencies. Full service repair facilities are operated in Belmont and Redwood City.

Tower Road Construction Fund – provides quality, cost-effective maintenance, repair and renovation of County facilities to ensure a safe, accessible, efficient and attractive environment for the public and all County employees. This unit also offers remodeling and craft services beyond the scope of building maintenance to the County and other government agencies; as well as capital project management, support, and maintenance services to the lighting districts on a fee for service basis.

Self-Insurance Funds – are established to account for administrative costs and claim payments under various self-insurance programs. Revenues are primarily from premiums paid by participating funds and income on investments. The insurance programs include the following:

- Workers' Compensation Insurance – provides medical benefits to employees for work-related injuries and illnesses.
- Long-Term Disability – provides long-term disability benefits for permanent employees who have worked for the County for three years and at least 20 hours per week.
- Personal Injury and Property Damage – provides insurance coverage for general liability (including errors and omissions) and automobile liability.

Employee Benefits Fund – is established to account for costs associated with providing comprehensive benefits, services, and programs to eligible employees, retirees, and their dependents that meet their needs. Revenues are primarily derived from contributions paid by individual funds.

COUNTY OF SAN MATEO
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2019
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
ASSETS							
Current assets:							
Cash and investments	\$ 17,814	\$ 120	\$ 17,791	\$ 1,799	\$ 2,536	\$ 23,520	\$ 63,580
Receivables (net):							
Accounts	5	72	-	-	-	378	455
Interest	103	-	115	11	5	109	343
Due from other funds	14	-	-	-	-	-	14
Due from other governmental agencies	-	-	-	-	-	2,771	2,771
Inventories	70	-	-	-	-	-	70
Prepaid items	8	7	912	-	3,227	-	4,154
Total current assets	<u>18,014</u>	<u>199</u>	<u>18,818</u>	<u>1,810</u>	<u>5,768</u>	<u>26,778</u>	<u>71,387</u>
Noncurrent assets:							
Capital assets:							
Nondepreciable:							
Construction in progress	198	-	-	-	-	-	198
Depreciable:							
Structures and improvements	4,596	-	-	-	-	-	4,596
Equipment	27,333	24	-	-	-	-	27,357
Software	9	-	-	-	-	-	9
Less accumulated depreciation	(20,298)	(24)	-	-	-	-	(20,322)
Total capital assets	<u>11,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,838</u>
Total noncurrent assets	<u>11,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,838</u>
Total assets	<u>29,852</u>	<u>199</u>	<u>18,818</u>	<u>1,810</u>	<u>5,768</u>	<u>26,778</u>	<u>83,225</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related items	554	477	-	-	-	-	1,031
OPEB-related items	97	75	-	-	-	-	172
Total deferred outflows of resources	<u>651</u>	<u>552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,203</u>
LIABILITIES							
Current liabilities:							
Accounts payable	168	16	54	-	77	481	796
Accrued salaries and benefits	66	65	-	6	-	-	137
Due to other funds	-	33	-	-	-	288	321
Unearned revenues	-	14	141	-	80	-	235
Deposits	94	-	-	-	-	-	94
Compensated absences - current	101	81	-	-	-	-	182
Estimated claims - current	-	-	15,692	89	2,709	1,280	19,770
Total current liabilities	<u>429</u>	<u>209</u>	<u>15,887</u>	<u>95</u>	<u>2,866</u>	<u>2,049</u>	<u>21,535</u>
Noncurrent liabilities:							
Advances from other funds	-	785	-	-	-	-	785
Net pension liability - noncurrent	842	761	-	-	-	-	1,603
Net OPEB liability - noncurrent	237	182	-	-	-	-	419
Compensated absences - noncurrent	15	26	-	-	-	-	41
Estimated claims - noncurrent	-	-	33,666	369	2,941	-	36,976
Total noncurrent liabilities	<u>1,094</u>	<u>1,754</u>	<u>33,666</u>	<u>369</u>	<u>2,941</u>	<u>-</u>	<u>39,824</u>
Total liabilities	<u>1,523</u>	<u>1,963</u>	<u>49,553</u>	<u>464</u>	<u>5,807</u>	<u>2,049</u>	<u>61,359</u>
DEFERRED INFLOWS OF RESOURCES							
Pension-related items	1	-	-	-	-	-	1
OPEB-related items	114	87	-	-	-	-	201
Total deferred inflows of resources	<u>115</u>	<u>87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202</u>
NET POSITION							
Net investment in capital assets	11,838	-	-	-	-	-	11,838
Unrestricted	17,027	(1,299)	(30,735)	1,346	(39)	24,729	11,029
Total net position	<u>\$ 28,865</u>	<u>\$ (1,299)</u>	<u>\$ (30,735)</u>	<u>\$ 1,346</u>	<u>\$ (39)</u>	<u>\$ 24,729</u>	<u>\$ 22,867</u>

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
Operating revenues:							
Charges for services	\$ 8,315	\$ 1,997	\$ 15,387	\$ 1,002	\$ 8,083	\$ 121,177	\$ 155,961
Miscellaneous	298	-	832	3	7,331	14	8,478
Total operating revenues	<u>8,613</u>	<u>1,997</u>	<u>16,219</u>	<u>1,005</u>	<u>15,414</u>	<u>121,191</u>	<u>164,439</u>
Operating expenses:							
Salaries and benefits	1,377	1,308	-	-	-	-	2,685
Pension expense	216	180	-	-	-	-	396
OPEB expense	34	26	-	-	-	-	60
General and administrative	2,763	317	3,986	614	2,298	5,826	15,804
Benefits and claims	-	-	13,377	-	7,802	9,307	30,486
Insurance premiums	-	-	1,525	-	5,221	105,374	112,120
Depreciation and amortization	2,262	-	-	-	-	-	2,262
Total operating expenses	<u>6,652</u>	<u>1,831</u>	<u>18,888</u>	<u>614</u>	<u>15,321</u>	<u>120,507</u>	<u>163,813</u>
Operating income (loss)	<u>1,961</u>	<u>166</u>	<u>(2,669)</u>	<u>391</u>	<u>93</u>	<u>684</u>	<u>626</u>
Nonoperating expenses							
Investment income	506	-	569	52	53	581	1,761
Total nonoperating expenses	<u>506</u>	<u>-</u>	<u>569</u>	<u>52</u>	<u>53</u>	<u>581</u>	<u>1,761</u>
Income (loss) before transfers	2,467	166	(2,100)	443	146	1,265	2,387
Transfers in	3,536	-	-	-	-	-	3,536
Transfers out	(1)	(7)	-	-	(21)	-	(29)
Change in net position	6,002	159	(2,100)	443	125	1,265	5,894
Net position - beginning	<u>22,863</u>	<u>(1,458)</u>	<u>(28,635)</u>	<u>903</u>	<u>(164)</u>	<u>23,464</u>	<u>16,973</u>
Net position - end	<u>\$ 28,865</u>	<u>\$ (1,299)</u>	<u>\$ (30,735)</u>	<u>\$ 1,346</u>	<u>\$ (39)</u>	<u>\$ 24,729</u>	<u>\$ 22,867</u>

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Fleet Maintenance	Tower Construction	Workers' Compensation Insurance	Long-Term Disability
Cash flows from operating activities				
Cash received from interfund services provided	\$ 8,603	\$ 1,996	\$ 16,255	\$ 1,005
Cash payment to suppliers of goods and services	(2,804)	(297)	(5,573)	(627)
Cash payment to employees for services	(1,732)	(1,584)	-	-
Cash payment for judgments and claims	-	-	(13,496)	(245)
Net cash provided by (used in) operating activities	<u>4,067</u>	<u>115</u>	<u>(2,814)</u>	<u>133</u>
Cash flows from noncapital financing activities				
Transfers received from other funds	3,536	-	-	-
Transfers paid to other funds	(1)	(7)	-	-
Loan to other funds	-	(19)	-	-
Net cash provided by (used in) noncapital financing activities	<u>3,535</u>	<u>(26)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(6,864)	-	-	-
Net cash used in capital and related financing activities	<u>(6,864)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Investment income received	477	-	551	49
Net cash provided by investing activities	<u>477</u>	<u>-</u>	<u>551</u>	<u>49</u>
Net increase (decrease) in cash and cash equivalents	1,215	89	(2,263)	182
Cash and cash equivalents, beginning	16,599	31	20,054	1,617
Cash and cash equivalents, end	<u>\$ 17,814</u>	<u>\$ 120</u>	<u>\$ 17,791</u>	<u>\$ 1,799</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,961	\$ 166	\$ (2,669)	\$ 391
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,262	-	-	-
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	-	(21)	80	-
Due from other funds	(14)	21	-	-
Due from other government agencies	3	-	-	-
Inventories	4	-	-	-
Other assets	1	(1)	(44)	-
Deferred outflows of resources	(33)	(34)	-	-
Increase (decrease) in:				
Accounts payable	(45)	(18)	(67)	(5)
Accrued salaries and benefits	8	25	-	-
Due to other funds	-	32	(7)	(8)
Unearned revenues	-	6	12	-
Net pension liability	(69)	(56)	-	-
Net OPEB liability	31	23	-	-
Estimated claims	-	-	(119)	(245)
Deferred inflows of resources	(42)	(28)	-	-
Net cash provided by (used in) operating activities	<u>\$ 4,067</u>	<u>\$ 115</u>	<u>\$ (2,814)</u>	<u>\$ 133</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Personal Injury and Property Damage	Employee Benefits	Total	
	\$ 14,611	\$ 120,848	\$ 163,318	Cash flows from operating activities
	(8,935)	(111,173)	(129,409)	Cash received from interfund services provided
	-	-	(3,316)	Cash payment to suppliers of goods and services
	(6,949)	(9,248)	(29,938)	Cash payment to employees for services
	(1,273)	427	655	Cash payment for judgments and claims
				Net cash provided by (used in) operating activities
				Cash flows from noncapital financing activities
	-	-	3,536	Transfers received from other funds
	(21)	-	(29)	Transfers paid to other funds
	-	-	(19)	Loan to other funds
	(21)	-	3,488	Net cash provided by (used in) noncapital financing activities
				Cash flows from capital and related financing activities
	-	-	(6,864)	Acquisition of capital assets
	-	-	(6,864)	Net cash used in capital and related financing activities
				Cash flows from investing activities
	61	553	1,691	Investment income received
	61	553	1,691	Net cash provided by investing activities
	(1,233)	980	(1,030)	Net increase (decrease) in cash and cash equivalents
	3,769	22,540	64,610	Cash and cash equivalents, beginning
	<u>\$ 2,536</u>	<u>\$ 23,520</u>	<u>\$ 63,580</u>	Cash and cash equivalents, end
				Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
	\$ 93	\$ 684	\$ 626	Operating income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
	-	-	2,262	Depreciation and amortization
				Changes in operating assets and liabilities:
				Decrease (increase) in:
	16	(105)	(30)	Accounts receivable
	-	-	7	Due from other funds
	-	(238)	(235)	Due from other government agencies
	-	-	4	Inventories
	(819)	-	(863)	Other assets
	-	-	(67)	Deferred outflows of resources
				Increase (decrease) in:
	(1,414)	14	(1,535)	Accounts payable
	-	-	33	Accrued salaries and benefits
	(14)	13	16	Due to other funds
	12	-	30	Unearned revenues
	-	-	(125)	Net pension liability
	-	-	54	Net OPEB liability
	853	59	548	Estimated claims
	-	-	(70)	Deferred inflows of resources
	<u>\$ (1,273)</u>	<u>\$ 427</u>	<u>\$ 655</u>	Net cash provided by (used in) operating activities



Fiduciary Funds

COUNTY OF SAN MATEO

Fiduciary Funds

Trust Funds

Investment Trust (External Investment Pool). The external investment pool is made up of three separate funds: Special Districts under Local Board, School Districts, and Other Investment Trust. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. Under sections 27133(h) and 27136 of the California Government Code, funds deposited in the County pool may be reclaimed at the rate of 20% of the principal balance per month, exclusive of apportionment, payroll and day-to-day operations, unless specifically authorized by the Treasurer.

Agency Funds

County Library Fund – is governed by the Board of the San Mateo Joint Powers Authority (JPA). The Board has twelve members, one from each of the eleven cities and one from the County Board of Supervisors. JPA, primarily financed by property taxes, provides library services to eleven cities and all unincorporated areas within the County.

Unapportioned Taxes Fund – accounts for property tax receipts awaiting apportionment to other local governmental agencies.

Trial Courts Operation Fund – is solely financed by the State of California and administered by the San Mateo County Superior Court. Expenditures from this fund require written authorization from the Court's Presiding Judge or his/her designee. The County only holds a custodial relationship to this fund.

Public Administrator Fund – accounts for all assets under the control of the Public Administrator. The County holds the assets in a fiduciary capacity.

Public Guardian Fund – accounts for all assets under the control of the Public Guardian. The County holds the assets in a fiduciary capacity.

Other Agency Fund – accounts for assets held for other governmental agencies and entities by the County in a fiduciary capacity.

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2019
(In Thousands)

	External Investment Pool			Total
	Special Districts under <u>Local Board</u>	School <u>Districts</u>	Other Investment <u>Trust</u>	
ASSETS				
Cash and investments	\$ 366,070	\$ 2,024,029	\$ 706,954	\$ 3,097,053
Interest receivable	2,153	12,191	7,718	22,062
Due from other governmental agencies	6,920	-	-	6,920
Other assets	108	3	-	111
Total assets	<u>375,251</u>	<u>2,036,223</u>	<u>714,672</u>	<u>3,126,146</u>
LIABILITIES				
Accounts payable	752	-	751	1,503
Due to other governmental agencies	-	51	-	51
Other liabilities	-	-	689	689
Total liabilities	<u>752</u>	<u>51</u>	<u>1,440</u>	<u>2,243</u>
NET POSITION				
Net position restricted for investment pool participants	<u>\$ 374,499</u>	<u>\$ 2,036,172</u>	<u>\$ 713,232</u>	<u>\$ 3,123,903</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	External Investment Pool			Total
	Special Districts under Local Board	School Districts	Other Investment Trust	
ADDITIONS				
Contributions:				
Contributions to investment pool	\$ 483,954	\$ 3,659,033	\$ 604,399	\$ 4,747,386
Net investment income:				
Net appreciation in fair value of investments	2,249	12,748	5,219	20,216
Interest and investment income	7,089	64,469	127,335	198,893
Securities lending activities:				
Securities lending income	-	14	-	14
Total net investment income	9,338	77,231	132,554	219,123
Total additions	493,292	3,736,264	736,953	4,966,509
DEDUCTIONS				
Distribution from investment pool	416,029	3,424,624	769,815	4,610,468
Change in net position	77,263	311,640	(32,862)	356,041
Net position - beginning	297,236	1,724,532	746,094	2,767,862
Net position - end	\$ 374,499	\$ 2,036,172	\$ 713,232	\$ 3,123,903

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Balance July 1, 2018	Addition	Deletion	Balance June 30, 2019
<u>COUNTY LIBRARY</u>				
Assets:				
Cash and investments	\$ 35,396	\$ 40,017	\$ 33,825	\$ 41,588
Interest receivable	157	253	171	239
Taxes receivable, net	1,743	1,741	1,743	1,741
Due from other governmental agencies	1,979	2,383	1,979	2,383
Other assets	4,058	2,855	2,294	4,619
Total assets	<u>\$ 43,333</u>	<u>\$ 47,249</u>	<u>\$ 40,012</u>	<u>\$ 50,570</u>
Liabilities:				
Fiduciary liabilities	<u>\$ 43,333</u>	<u>\$ 41,015</u>	<u>\$ 33,778</u>	<u>\$ 50,570</u>
Total liabilities	<u>\$ 43,333</u>	<u>\$ 41,015</u>	<u>\$ 33,778</u>	<u>\$ 50,570</u>
 <u>UNAPPORTIONED TAXES</u>				
Assets:				
Cash and investments	\$ 139,561	\$ 4,078,057	\$ 4,076,529	\$ 141,089
Interest receivable	523	664	523	664
Due from other governmental agencies	897	51	897	51
Total assets	<u>\$ 140,981</u>	<u>\$ 4,078,772</u>	<u>\$ 4,077,949</u>	<u>\$ 141,804</u>
Liabilities:				
Due to other governmental agencies	\$ 88,149	\$ 106,629	\$ 88,149	\$ 106,629
Fiduciary liabilities	52,832	3,417,433	3,435,090	35,175
Total liabilities	<u>\$ 140,981</u>	<u>\$ 3,524,062</u>	<u>\$ 3,523,239</u>	<u>\$ 141,804</u>
 <u>TRIAL COURTS OPERATION</u>				
Assets:				
Cash and investments	\$ 1,397	\$ 44,227	\$ 43,826	\$ 1,798
Interest receivable	5	7	5	7
Other assets	1,108	1	-	1,109
Total assets	<u>\$ 2,510</u>	<u>\$ 44,235</u>	<u>\$ 43,831</u>	<u>\$ 2,914</u>
Liabilities:				
Fiduciary liabilities	<u>\$ 2,510</u>	<u>\$ 28,130</u>	<u>\$ 27,726</u>	<u>\$ 2,914</u>
Total liabilities	<u>\$ 2,510</u>	<u>\$ 28,130</u>	<u>\$ 27,726</u>	<u>\$ 2,914</u>
 <u>PUBLIC ADMINISTRATOR</u>				
Assets:				
Cash and investments	\$ 12,612	\$ 26,500	\$ 24,051	\$ 15,061
Interest receivable	49	90	49	90
Other assets	13,017	10,031	11,240	11,808
Total assets	<u>\$ 25,678</u>	<u>\$ 36,621</u>	<u>\$ 35,340</u>	<u>\$ 26,959</u>
Liabilities:				
Due to other governmental agencies	\$ 44	\$ 76	\$ 43	\$ 77
Fiduciary liabilities	25,634	18,580	17,332	26,882
Total liabilities	<u>\$ 25,678</u>	<u>\$ 18,656</u>	<u>\$ 17,375</u>	<u>\$ 26,959</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(In Thousands)

	Balance July 1, 2018	Addition	Deletion	Balance June 30, 2019
<u>PUBLIC GUARDIAN</u>				
Assets:				
Cash and investments	\$ 23,477	\$ 25,925	\$ 27,128	\$ 22,274
Interest receivable	102	164	127	139
Due from other governmental agencies	-	66	-	66
Other assets	30,097	603	6,201	24,499
Total assets	<u>\$ 53,676</u>	<u>\$ 26,758</u>	<u>\$ 33,456</u>	<u>\$ 46,978</u>
Liabilities:				
Due to other governmental agencies	\$ 96	\$ 127	\$ 96	\$ 127
Fiduciary liabilities	53,580	18,449	25,178	46,851
Total liabilities	<u>\$ 53,676</u>	<u>\$ 18,576</u>	<u>\$ 25,274</u>	<u>\$ 46,978</u>
<u>OTHER AGENCY</u>				
Assets:				
Cash and investments	\$ 208,573	\$ 7,150,318	\$ 7,133,094	\$ 225,797
Interest receivable	1,059	1,848	1,337	1,570
Taxes receivable, net	163,376	175,842	169,507	169,711
Due from other governmental agencies	15,055	18,287	15,055	18,287
Other assets	1,899	2,799	2,977	1,721
Total assets	<u>\$ 389,962</u>	<u>\$ 7,349,094</u>	<u>\$ 7,321,970</u>	<u>\$ 417,086</u>
Liabilities:				
Due to other governmental agencies	\$ 32	\$ 37	\$ 32	\$ 37
Fiduciary liabilities	389,930	7,651,584	7,624,465	417,049
Total liabilities	<u>\$ 389,962</u>	<u>\$ 7,651,621</u>	<u>\$ 7,624,497</u>	<u>\$ 417,086</u>
<u>TOTALS</u>				
Assets:				
Cash and investments	\$ 421,016	\$ 11,365,044	\$ 11,338,453	\$ 447,607
Receivables:				
Interest	1,895	3,026	2,212	2,709
Taxes, net	165,119	177,583	171,250	171,452
Due from other governmental agencies	17,931	20,787	17,931	20,787
Other assets	50,179	16,289	22,712	43,756
Total assets	<u>\$ 656,140</u>	<u>\$ 11,582,729</u>	<u>\$ 11,552,558</u>	<u>\$ 686,311</u>
Liabilities:				
Due to other governmental agencies	\$ 88,321	\$ 106,869	\$ 88,320	\$ 106,870
Fiduciary liabilities	567,819	11,175,191	11,163,569	579,441
Total liabilities	<u>\$ 656,140</u>	<u>\$ 11,282,060</u>	<u>\$ 11,251,889</u>	<u>\$ 686,311</u>



STATISTICAL SECTION
(Unaudited)

COUNTY OF SAN MATEO

Statistical Section

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how the County's financial performance and has changed over time.

Revenue Capacity

This segment includes information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic and Demographic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

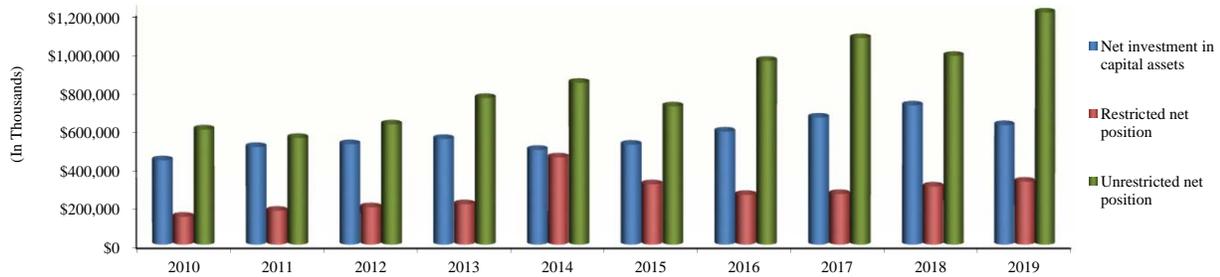
This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant years.

COUNTY OF SAN MATEO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	As of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets ¹	\$ 381,801	\$ 449,235	\$ 459,511	\$ 482,077	\$ 418,671	\$ 441,955	\$ 508,490	\$ 579,485	\$ 640,425	\$ 536,734
Restricted for:										
Governmental programs ³	99,319	108,657	126,227	143,399	247,541	201,262	201,059	210,266	247,869	285,698
Capital projects	3,231	3,718	3,675	3,595	5,977	3,179	2,714	2,518	1,493	1,942
Debt service	40,605	61,056	60,863	60,726	195,628	105,907	52,451	47,752	49,130	35,383
Unrestricted	538,887	481,004	550,999	679,125	756,305	701,449	917,413	1,032,917	969,478	1,428,187
Subtotal governmental activities net position	1,063,843	1,103,670	1,201,275	1,368,922	1,624,122	1,453,752	1,682,127	1,872,938	1,908,395	2,287,944
Business-type Activities										
Net investment in capital assets ¹	53,559	54,851	58,904	63,516	70,560	73,924	75,231	76,676	78,508	80,568
Restricted for:										
Housing assistance programs	444	1,095	1,886	-	-	84	-	-	1,383	1,782
Airport management by FAA	-	-	-	524	843	709	362	362	-	-
Fuel Dock 10 project	-	-	-	-	137	137	-	-	-	-
Unrestricted	55,625	69,588	69,816	78,690	79,936	12,685	32,816	34,911	6,229	16,874
Subtotal business-type activities net position	109,628	125,534	130,606	142,730	151,476	87,539	108,409	111,949	86,120	99,224
Primary Government										
Net investment in capital assets	435,360	504,086	518,415	545,593	489,231	515,879	583,721	656,161	718,933	617,302
Restricted for:										
Governmental programs	99,319	108,657	126,227	143,399	247,541	201,262	201,059	210,266	247,869	285,698
Capital projects	3,231	3,718	3,675	3,595	5,977	3,179	2,714	2,518	1,493	1,942
Debt service	40,605	61,056	60,863	60,726	195,628	105,907	52,451	47,752	49,130	35,383
Housing assistance programs	444	1,095	1,886	-	-	84	-	-	1,383	1,782
Airport management by FAA	-	-	-	524	843	709	362	362	-	-
Fuel Dock 10 project	-	-	-	-	137	137	-	-	-	-
Total restricted	143,599	174,526	192,651	208,244	450,126	311,278	256,586	260,898	299,875	324,805
Unrestricted	594,512	550,592	620,815	757,815	836,241	714,134	950,229	1,067,828	975,707	1,445,061
Total primary government net position ²	\$ 1,173,471	\$ 1,229,204	\$ 1,331,881	\$ 1,511,652	\$ 1,775,598	\$ 1,541,291 ⁴	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168
Percent of increase (decrease) in primary government net position	3.50%	4.75%	8.35%	13.50%	17.46%	-13.20%	16.17%	10.85%	0.49%	19.69%

Net Position



Source: Government-Wide Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software.

² Accounting standards require that net position be reported in three components in the government-wide financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

³ Net position is restricted for specific purposes as indicated on the Statement of Net Position.

⁴ Decrease in total primary government net position is due to reporting net pension liability under GASB Statement Nos. 68 and 71.

COUNTY OF SAN MATEO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
<u>Governmental activities:</u>										
General government	\$ 71,316	\$ 68,325	\$ 78,215	\$ 78,988	\$ 108,980	\$ 120,104	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837
Public protection	308,208	329,087	330,062	337,059	353,458	321,375	357,729	403,393	409,330	423,996
Public ways and facilities	18,771	19,089	19,358	20,248	19,419	16,369	20,058	23,460	24,375	23,731
Health and sanitation	229,477	214,952	221,129	228,050	246,652	243,919	275,293	304,204	350,672	376,472
Public assistance	201,823	207,316	199,789	201,087	221,761	211,921	222,255	243,469	250,393	255,556
Recreation	9,316	9,608	8,538	8,621	10,420	11,537	13,171	15,483	16,252	16,839
Interest on long-term debt	15,829	18,185	16,841	16,292	16,351	22,980	22,187	19,068	17,691	22,098
Total governmental activities expenses	854,740	866,562	873,932	890,345	977,041	948,205	1,022,025	1,139,408	1,225,311	1,268,529
<u>Business-type activities:</u>										
San Mateo Medical Center	232,530	241,028	251,626	234,736	244,015	233,186	264,854	290,389	314,258	335,511
Airports	2,879	2,598	2,763	2,841	2,877	3,312	3,318	3,808	4,533	4,737
Coyote Point Marina	1,143	1,067	1,066	826	790	921	1,090	1,234	2,261	1,306
Housing Authority	65,919	68,728	70,553	70,578	71,052	68,016	72,783	82,567	89,191	95,526
Total business-type activities expenses	302,471	313,421	326,008	308,981	318,734	305,435	342,045	377,998	410,243	437,080
Total primary government expenses	\$ 1,157,211	\$ 1,179,983	\$ 1,199,940	\$ 1,199,326	\$ 1,295,775	\$ 1,253,640	\$ 1,364,070	\$ 1,517,406	\$ 1,635,554	\$ 1,705,609
Program Revenues										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 28,104	\$ 29,180	\$ 29,011	\$ 33,015	\$ 33,588	\$ 30,261	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674
Public protection	32,776	36,881	35,478	35,822	34,680	35,191	36,755	35,998	37,529	41,024
Public ways and facilities	3,318	3,808	2,123	2,432	2,246	2,527	2,387	2,979	3,002	3,041
Health and sanitation	71,795	62,483	74,523	72,773	73,499	104,099	91,215	92,286	91,551	106,810
Public assistance	4,374	4,922	4,605	4,273	5,085	5,898	5,880	5,416	6,147	6,165
Recreation	2,054	1,641	2,253	2,028	1,983	1,649	2,238	2,531	2,906	2,663
Operating grants and contributions **	379,714	408,092	446,884	483,718	481,941	516,195	479,695	501,166	566,848	594,396
Capital grants and contributions	-	-	-	907	-	-	-	-	-	-
Total governmental activities program revenues	522,135	547,007	594,877	634,968	633,022	695,820	652,783	675,140	742,054	789,773
<u>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	131,370	121,074	124,285	173,494	183,861	195,904	227,104	239,908	270,519	292,855
Airports	2,609	2,771	2,589	2,505	2,712	2,674	3,833	3,812	4,032	3,847
Coyote Point Marina	1,064	1,132	1,198	1,000	977	1,089	1,103	1,196	1,420	1,467
Housing Authority	2,002	2,196	3,586	3,647	3,402	67,625	71,351	78,238	97,623	94,057
Operating grants and contributions	96,936	138,510	138,170	66,128	70,400	5,369	3,316	1,488	1,095	71
Capital grants and contributions	4,579	4,514	5,939	5,607	6,623	2,279	5,226	6,431	4,919	5,007
Total business-type activities program revenues	238,560	270,197	275,767	252,381	267,975	274,940	311,933	331,073	379,608	397,304
Total primary government program revenues	\$ 760,695	\$ 817,204	\$ 870,644	\$ 887,349	\$ 900,997	\$ 970,760	\$ 964,716	\$ 1,006,213	\$ 1,121,662	\$ 1,187,077
Net Expense ¹										
Governmental activities	\$ (332,605)	\$ (319,555)	\$ (279,055)	\$ (255,377)	\$ (344,019)	\$ (252,385)	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)
Business-type activities	(63,911)	(43,224)	(50,241)	(56,600)	(50,759)	(30,495)	(30,112)	(46,925)	(30,635)	(39,776)
Total primary government net expenses	\$ (396,516)	\$ (362,779)	\$ (329,296)	\$ (311,977)	\$ (394,778)	\$ (282,880)	\$ (399,354)	\$ (511,193)	\$ (513,892)	\$ (518,532)

Source: Government-Wide Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

Notes:

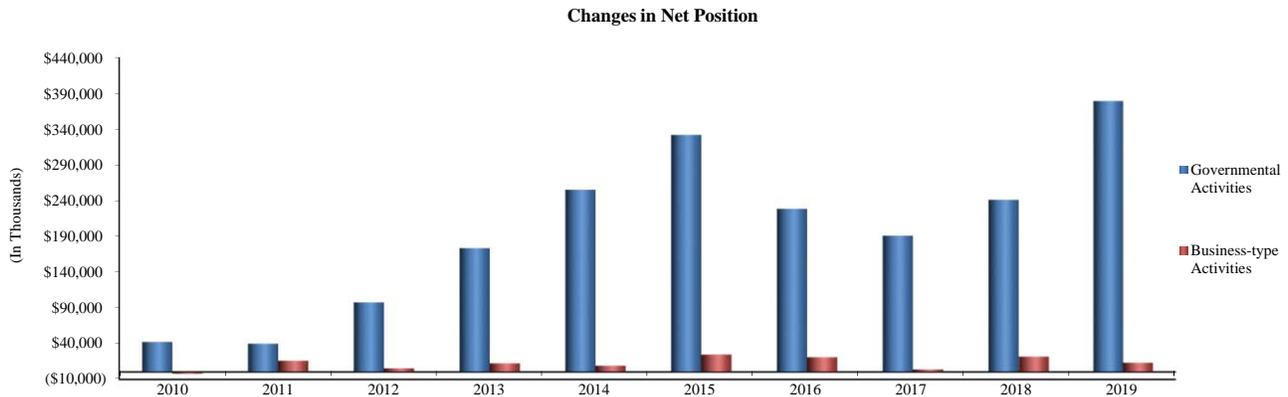
** In prior years pass-through payments from redevelopment agencies were reported as part of the property tax revenues. Starting FY 2011-12 these payments were reported under "intergovernmental revenues" as operating grants.

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

(Continued)

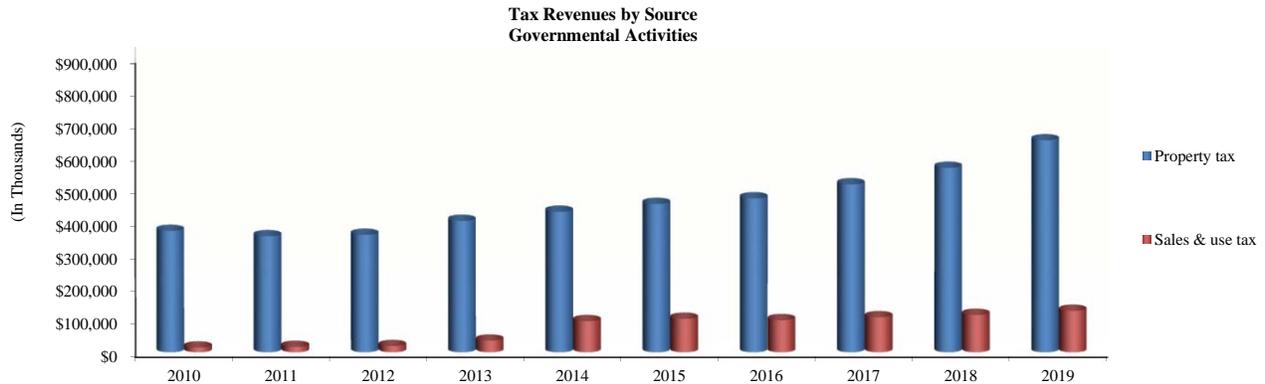
COUNTY OF SAN MATEO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 372,312	\$ 356,011	\$ 360,310	\$ 403,021	\$ 430,981	\$ 455,001	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342
Property transfer taxes	4,829	5,018	5,651	6,725	8,747	10,333	9,978	10,088	11,008	11,315
Sales and use taxes	14,579	16,395	18,869	35,687	95,357	102,724	98,437	107,398	114,743	127,083
Property tax in-lieu of sales taxes	4,372	4,772	5,560	6,247	5,726	6,793	4,808	-	-	-
Transient occupancy taxes	966	928	1,221	1,172	1,519	1,527	1,490	1,749	2,160	1,750
Aircraft taxes	1,631	857	1,091	1,576	1,399	1,125	1,086	1,487	1,418	1,413
Vehicle rental business license tax	-	-	-	7,907	12,254	12,181	12,145	12,581	10,946	11,540
Other taxes	75	43	2	-	-	-	-	-	-	-
Unrestricted interest and investment earnings	11,916	10,008	10,602	3,863	11,861	13,742	21,026	14,859	24,828	58,417
Securities lending activities:										
Securities lending income	47	34	-	-	-	-	-	-	-	-
Securities lending expenses	(38)	(29)	-	-	-	-	-	-	-	-
Miscellaneous	22,599	20,873	24,483	31,100	39,880	35,070	27,188	42,246	44,792	45,228
Special items	-	-	-	-	45,283	-	(603)	-	-	-
Transfers	(58,668)	(55,528)	(51,129)	(68,570)	(53,788)	(53,939)	(49,923)	(50,265)	(50,915)	(47,783)
Total governmental activities	<u>374,620</u>	<u>359,382</u>	<u>376,660</u>	<u>428,728</u>	<u>599,219</u>	<u>584,557</u>	<u>597,617</u>	<u>655,079</u>	<u>724,244</u>	<u>858,305</u>
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	235	279	372	173	170	333	776	(222)	156	2,448
Securities lending activities:										
Securities lending income	3	2	-	-	-	-	-	-	-	-
Securities lending expenses	(2)	(2)	-	-	-	-	-	-	-	-
Miscellaneous	2,685	3,323	3,812	2,787	5,547	502	283	422	1,271	2,649
Special item	-	-	-	(2,806)	-	-	-	-	-	-
Transfers	58,668	55,528	51,129	68,570	53,788	53,939	49,923	50,265	50,915	47,783
Total business-type activities	<u>61,589</u>	<u>59,130</u>	<u>55,313</u>	<u>68,724</u>	<u>59,505</u>	<u>54,774</u>	<u>50,982</u>	<u>50,465</u>	<u>52,342</u>	<u>52,880</u>
Total primary government	<u>\$ 436,209</u>	<u>\$ 418,512</u>	<u>\$ 431,973</u>	<u>\$ 497,452</u>	<u>\$ 658,724</u>	<u>\$ 639,331</u>	<u>\$ 648,599</u>	<u>\$ 705,544</u>	<u>\$ 776,586</u>	<u>\$ 911,185</u>
Change in Net Position										
Governmental activities	\$ 42,015	\$ 39,827	\$ 97,605	\$ 173,351	\$ 255,200	\$ 332,172	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549
Business-type activities	(2,322)	15,906	5,072	12,124	8,746	24,279	20,870	3,540	21,707	13,104
Total primary government	<u>\$ 39,693</u>	<u>\$ 55,733</u>	<u>\$ 102,677</u>	<u>\$ 185,475</u>	<u>\$ 263,946</u>	<u>\$ 356,451</u>	<u>\$ 249,245</u>	<u>\$ 194,351</u>	<u>\$ 262,694</u>	<u>\$ 392,653</u>



COUNTY OF SAN MATEO
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

Fiscal Year				Property tax	Vehicle Rental				Total
	Property *	Property Transfer	Sales and Use Taxes	in-lieu of Sales Tax	Business License Tax	Transient Occupancy	Aircraft	Other	
2010	\$ 372,312	\$ 4,829	\$ 14,579	\$ 4,372	\$ -	\$ 966	\$ 1,631	\$ 75	\$ 398,764
2011	356,011	5,018	16,395	4,772	-	928	857	43	384,024
2012	360,310	5,651	18,869	5,560	-	1,221	1,091	2	392,704
2013	403,021	6,725	35,687 ¹	6,247	7,907 ²	1,172	1,576	-	462,335
2014	430,981	8,747	95,357 ³	5,726	12,254	1,519	1,399	-	555,983
2015	455,001	10,333	102,724	6,793	12,181	1,527	1,125	-	589,684
2016	471,985	9,978	98,437	4,808	12,145	1,490	1,086	-	599,929
2017	514,936	10,088	107,398	- ⁴	12,581	1,749	1,487	-	648,239
2018	565,264	11,008	114,743	-	10,946	2,160	1,418	-	705,539
2019	649,342	11,315	127,083	-	11,540	1,750	1,413	-	802,443
Change									
2010 - 2019	74.4%	134.3%	771.7%	-100.0%	n/a	81.2%	-13.4%	-100.0%	101.2%



Source: Controller's Office - County of San Mateo, California

Notes:

- * In prior years pass-through payments from redevelopment agencies were reported as part of the property tax revenues. Starting FY 2011-12 these payments were reported under "intergovernmental revenues" as operating grants.
- ¹ In November 2012, San Mateo County voters approved a measure that increases the sales tax throughout the County by half a cent for the next 10 years (Measure A). Revenues from Measure A will be used to help fund county critical facilities and services.
- ² In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses in the unincorporated areas effective July 1, 2012.
- ³ The sharp increase in sales and use tax revenue is predominantly from the passage of Measure A that increases the County's sales tax by half a cent for the next 10 years since its inception on April 1, 2013.
- ⁴ In-lieu sales and use taxes (triple flip) was fully distributed from the State, thus ended the triple flip revenue.

n/a - not applicable

COUNTY OF SAN MATEO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

General Fund	As of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nonspendable	\$ 10,666	\$ 12,099	\$ 27,124	\$ 28,517	\$ 31,031	\$ 35,269	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648
Restricted	33,466	35,653	46,149	60,119	146,966	85,816	89,025	94,418	127,495	151,220
Committed	1,834	1,572	-	-	13,481	-	-	-	-	-
Assigned	92,881	1,763	4,590	6,190	4,410	1,623	6,584	10,235	9,860	7,802
Unassigned	146,759	194,868	231,286	342,146	380,110	641,961	744,315	791,121	835,779	1,021,356
Total general fund	<u>285,606</u>	<u>245,955</u>	<u>309,149</u>	<u>436,972</u>	<u>575,998</u>	<u>764,669</u>	<u>873,829</u>	<u>935,880</u>	<u>1,019,332</u>	<u>1,231,026</u>
All Other Governmental Funds										
Nonspendable	352	410	354	343	362	347	464	709	718	1,176
Restricted	109,689	137,778	144,616	147,601	302,180	231,898	173,410	172,118	176,633	405,002
Committed	25,283	-	-	-	-	-	-	-	-	-
Assigned	15,281	14,567	12,725	15,730	95,372	95,239	107,192	100,162	96,646	99,039
Unassigned	-	-	-	(728)	-	(479)	(561)	(546)	(435)	(259)
Total all other governmental funds	<u>150,605</u>	<u>152,755</u>	<u>157,695</u>	<u>162,946</u>	<u>397,914</u>	<u>327,005</u>	<u>280,505</u>	<u>272,443</u>	<u>273,562</u>	<u>504,958</u>
Total Governmental Funds¹										
Nonspendable	11,018	12,509	27,478	28,860	31,393	35,616	34,369	40,815	46,916	51,824
Restricted	143,155	173,431	190,765	207,720	449,146	317,714	262,435	266,536	304,128	556,222
Committed	27,117	1,572	-	-	13,481	-	-	-	-	-
Assigned	108,162	16,330	17,315	21,920	99,782	96,862	113,776	110,397	106,506	106,841
Unassigned	146,759	194,868	231,286	341,418	380,110	641,482	743,754	790,575	835,344	1,021,097
Total governmental funds	<u>\$ 436,211</u>	<u>\$ 398,710</u>	<u>\$ 466,844</u>	<u>\$ 599,918</u>	<u>\$ 973,912</u>	<u>\$ 1,091,674</u>	<u>\$ 1,154,334</u>	<u>\$ 1,208,323</u>	<u>\$ 1,292,894</u>	<u>\$ 1,735,984</u>

Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

Notes:

¹ Governmental funds include general fund, special revenue funds, debt service funds, and capital projects funds.

COUNTY OF SAN MATEO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year Ended June 30,										10 Year % of Increase/ Decrease
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Revenues											
Taxes *	\$ 401,382	\$ 389,130	\$ 381,743	\$ 453,666	\$ 554,773	\$ 587,811	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	116.48%
Licenses and permits	9,578	8,498	8,692	9,082	9,678	10,023	7,963	10,982	11,283	11,428	19.32%
Intergovernmental *	392,303	403,907	463,959	493,731	470,364	508,386	494,214	501,439	542,832	576,465	46.94%
Charges for services	107,466	112,039	118,445	114,940	140,023	176,654	161,243	153,387	163,242	169,368	57.60%
Fines, forfeitures and penalties	13,052	14,904	12,967	12,409	11,476	11,098	11,679	9,486	9,994	11,378	-12.83%
Rents and concessions	1,181	1,960	1,599	1,708	3,538	1,178	1,769	1,655	1,664	1,602	35.65%
Investment income (loss)	9,707	8,328	10,127	3,731	10,352	12,187	18,371	12,705	22,489	54,856	465.12%
Securities lending activities:											
Securities lending income	40	29	-	-	-	-	-	-	-	-	-100.00%
Securities lending expenditures	(32)	(25)	-	-	-	-	-	-	-	-	-100.00%
Other revenues	28,385	25,266	24,340	29,606	31,682	28,529	24,800	29,557	28,522	27,794	-2.08%
Total revenues	<u>963,062</u>	<u>964,036</u>	<u>1,021,872</u>	<u>1,118,873</u>	<u>1,231,886</u>	<u>1,335,866</u>	<u>1,325,560</u>	<u>1,361,209</u>	<u>1,475,385</u>	<u>1,721,783</u>	78.78%
Expenditures											
Current:											
General government**	73,680	60,788	62,548	72,902	100,404	119,377	109,491	115,071	146,140	136,521	85.29%
Public protection**	290,931	323,469	335,123	328,862	342,040	358,412	387,217	399,087	409,443	431,708	48.39%
Public ways and facilities	18,171	18,512	18,906	19,599	18,910	16,790	20,284	22,225	23,575	23,171	27.52%
Health and sanitation	238,572	211,873	221,383	222,494	243,850	258,824	287,217	305,386	354,334	383,507	60.75%
Public assistance	190,352	208,747	202,959	200,458	220,554	225,296	232,283	245,416	254,197	262,152	37.72%
Recreation	8,727	9,110	8,222	8,005	9,633	11,553	12,992	14,629	15,314	16,100	84.48%
Capital outlay	15,761	83,093	23,238	34,384	76,041	125,473	97,594	67,477	57,103	99,858	533.58%
Debt service:											
Principal	12,003	11,874	12,990	13,645	14,340	14,130	15,054	33,680	34,008	33,590	179.85%
Interest	16,145	18,562	17,542	16,914	16,278	24,377	22,926	20,622	20,080	20,248	25.41%
Payment to bond refunding escrow	4,454	-	-	-	1,085	-	9,758	-	-	-	-100.00%
Bond issuance costs	1,094	-	-	-	1,042	-	1,506	-	-	1,454	32.91%
Bond insurance costs	-	-	-	-	-	-	-	7	16	33	100.00%
Total expenditures	<u>869,890</u>	<u>946,028</u>	<u>902,911</u>	<u>917,263</u>	<u>1,044,177</u>	<u>1,154,232</u>	<u>1,196,322</u>	<u>1,223,600</u>	<u>1,314,210</u>	<u>1,408,342</u>	61.90%
Excess of revenues over expenditures	<u>93,172</u>	<u>18,008</u>	<u>118,961</u>	<u>201,610</u>	<u>187,709</u>	<u>181,634</u>	<u>129,238</u>	<u>137,609</u>	<u>161,175</u>	<u>313,441</u>	236.41%
Other financing sources (uses)											
Issuance of debt	-	-	-	-	-	1,332	619	222	1,974	217,744	100.00%
Proceeds from sale of capital assets	2	5	23	3	3	-	9	33	3	3	50.00%
Issuance of refunding bonds	115,505	-	-	-	215,130	-	126,325	-	-	-	-100.00%
Premium on lease revenue and revenue refunding bonds	8,438	-	-	-	27,308	-	18,690	-	-	13,860	64.26%
Payment to bond refunding escrow/agent	(124,860)	-	-	-	(39,155)	-	(143,364)	-	-	-	-100.00%
Transfers in	72,613	131,685	75,426	85,919	168,487	89,486	133,978	135,225	153,067	158,943	118.89%
Transfers out	(131,530)	(187,199)	(126,276)	(154,458)	(222,542)	(144,690)	(183,297)	(185,500)	(204,018)	(210,233)	59.84%
Total other financing sources (uses)	<u>(59,832)</u>	<u>(55,509)</u>	<u>(50,827)</u>	<u>(68,536)</u>	<u>149,231</u>	<u>(53,872)</u>	<u>(47,040)</u>	<u>(50,020)</u>	<u>(48,974)</u>	<u>180,317</u>	-401.37%
Change in fund balances before special item	<u>33,340</u>	<u>(37,501)</u>	<u>68,134</u>	<u>133,074</u>	<u>336,940</u>	<u>127,762</u>	<u>82,198</u>	<u>87,589</u>	<u>112,201</u>	<u>493,758</u>	1380.98%
Special item	-	-	-	-	37,054	(10,000)	(19,538)	(33,600)	(27,630)	(50,668) ¹	100.00%
Net change in fund balances	<u>\$ 33,340</u>	<u>\$ (37,501)</u>	<u>\$ 68,134</u>	<u>\$ 133,074</u>	<u>\$ 373,994</u>	<u>\$ 117,762</u>	<u>\$ 62,660</u>	<u>\$ 53,989</u>	<u>\$ 84,571</u>	<u>\$ 443,090</u>	1229.00%
Debt service as a percentage of noncapital expenditures	3.30%	3.53%	3.47%	3.46%	3.16%	3.74%	3.46%	4.70%	4.30%	4.11%	

Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

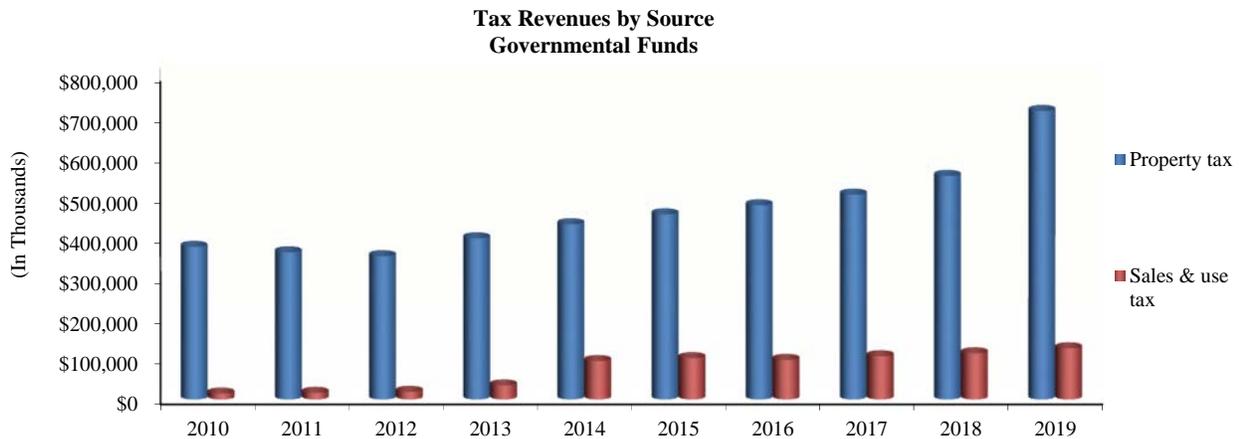
* Prior to FY 2011-12 pass-through payments from RDAs were reported as part of property taxes. Starting FY 2011-12 these payments were reported under intergovernmental revenues.

** Historically, General Fund departments in various programs/functions moved their shares of debt service payments and 10% surcharges (as "program expenses") to a "general government" program (as "intrafund revenues"). This program then transferred the departments' contributions to the County's Debt Service and Capital Projects Funds (as "transfers-out") accordingly. The 10% surcharge was split equally between Debt Service Fund and Capital Project Fund. Beginning in FY 2012-13, departments directly transferred their shares to these two funds (as "transfers out" in lieu of "program expenses"). This new method essentially changed the way expenditures were recorded and reported in FY 2012-13.

¹ See discussions under Note 17 to the basic financial statements.

COUNTY OF SAN MATEO
Governmental Fund Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property* Taxes	Sales & Use Taxes	Property Transfer Taxes	Vehicle Rental Business License Tax	All Other Taxes	Total
2010	\$ 379,302	\$ 14,579	\$ 4,829	-	\$ 2,672	\$ 401,382
2011	365,889	16,395	5,018	-	1,828	389,130
2012	356,221	18,869	5,651	-	1,002	381,743
2013	400,683	34,779	6,725	7,907 ³	3,572 ²	453,666
2014	435,497	95,357 ¹	8,747	12,254	2,918	554,773
2015	459,921	102,724	10,333	12,181	2,652	587,811
2016	482,385	98,437	9,978	12,145	2,576	605,521
2017	508,695	107,398	10,088	12,581	3,236	641,998
2018	555,084	114,743	11,008	10,946	3,578	695,359
2019	715,791	127,083	11,315	11,540	3,163	868,892
10 year % of change	88.7%	771.7%	134.3%	100.0%	18.4%	116.5%



Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

^{*} Prior to FY 2011-12 pass-through payments from Redevelopment Agencies were reported as part of the property tax revenues. Starting FY 2011-12 these payments were reported under "intergovernmental revenues" as operating grants.

¹ The sharp increase in sales and use tax revenue is predominantly from the passage of Measure A, which increased the County's sales tax by half a cent for the next 10 years since its inception on April 1, 2013.

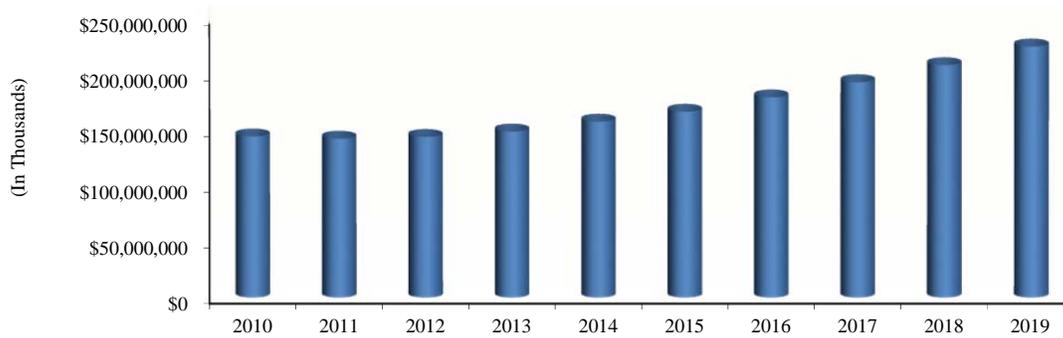
² The sizeable increase in other taxes is due primarily to the significant increases in Property Transfer Tax, and other taxes.

³ In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses in the unincorporated areas effective July 1, 2012.

COUNTY OF SAN MATEO
Assessed Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Real Property ²	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value ¹	% of Change Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 140,933,698	\$ 7,953,401	\$ 4,569,501	\$ 144,317,598	1%	1%
2011	140,260,986	6,591,402	4,513,149	142,339,239	-1%	1%
2012	142,561,543	6,193,886	4,849,067	143,906,362	1%	1%
2013	146,967,831	6,381,748	4,624,208	148,725,371	3%	1%
2014	156,221,561	6,389,447	5,036,955	157,574,053	6%	1%
2015	165,062,426	6,573,444	5,235,533	166,400,337	6%	1%
2016	177,738,379	6,972,721	5,501,611	179,209,489	8%	1%
2017	190,856,437	7,313,377	5,376,465	192,793,349	8%	1%
2018	205,112,738	8,339,059	5,492,569	207,959,228	8%	1%
2019	221,992,874	9,209,736	6,595,761	224,606,849	8%	1%
10 year % of Change	57.52%	15.80%	44.34%	55.63%		

Total Taxable Assessed Value



Source: Assessor's Office - County of San Mateo, California

Notes:

¹ Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property that is subject to taxes at the full cash value that appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2%.
- b) current market value at time of ownership change, and
- c) market value for new construction.

² Estimated actual value of taxable property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

COUNTY OF SAN MATEO
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year³	Direct Rate¹	Overlapping Rates²			Total
	County General	Local Special Districts	Schools	Cities	
2010	1.0000	0.0010	0.0950	0.0043	1.1003
2011	1.0000	0.0010	0.1037	0.0042	1.1089
2012	1.0000	0.0009	0.1057	0.0042	1.1108
2013	1.0000	0.0009	0.1057	0.0042	1.1108
2014	1.0000	0.0009	0.1100	0.0039	1.1148
2015	1.0000	0.0008	0.1234	0.0037	1.1279
2016	1.0000	0.0011	0.1284	0.0032	1.1327
2017	1.0000	0.0010	0.1333	0.0029	1.1372
2018	1.0000	0.0010	0.1315	0.0027	1.1352
2019	1.0000	0.0014	0.1235	0.0025	1.1274

Source: Controller's Office - County of San Mateo, California

Notes:

¹ On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation enacted to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) which provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978. Proposition 13 allows each county to levy a maximum tax of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

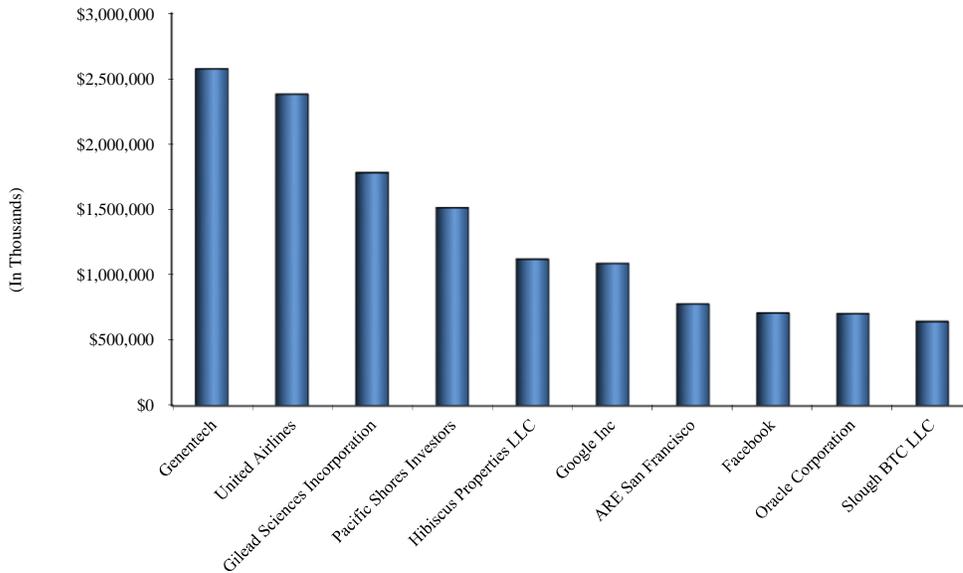
² These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

³ Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax rates.

COUNTY OF SAN MATEO
Principal Property Assesseees
As of January 1, 2019 and January 1, 2010
(In Thousands)

Assessee	Nature of Business	As of January 1, 2019		As of January 1, 2010		Percentage of Total Taxable Assessed Value	
		Taxable Assessed Value ¹	Rank	Taxable Assessed Value ²	Rank		
Genentech	Biotechnology	\$ 2,573,224	1	1.15%	\$ 1,892,364	1	1.31%
United Airlines	Air Carrier	2,380,626	2	1.06%	1,199,741	2	0.83%
Gilead Sciences Incorporation	Biopharmaceutical	1,782,089	3	0.79%	418,722	7	0.29%
Pacific Shores Investors	Investment	1,514,171	4	0.67%	485,618	5	0.34%
Hibiscus Properties LLC	Technology	1,122,393	5	0.50%			
Google Inc	Technology	1,090,158	6	0.49%			
ARE San Francisco	Life Science	779,821	7	0.35%			
Facebook	Technology	712,143	8	0.32%			
Oracle Corporation	Software	706,463	9	0.31%	610,820	3	0.42%
Slough BTC LLC	Lease	646,570	10	0.29%	544,955	4	0.38%
Slough SSF	Lease				464,246	6	0.32%
Sun Microsystems	Computer Products				354,140	8	0.25%
Wells Real Estate Investment Trust	Real estate				310,197	9	0.21%
Electronic Arts Inc	Video games				285,369	10	0.20%
Total		\$ 13,307,658		5.93%	\$ 6,566,172		4.55%

Principal Property Assesseees
As of January 1, 2019



Source: Controller's Office - County of San Mateo, California

Notes:

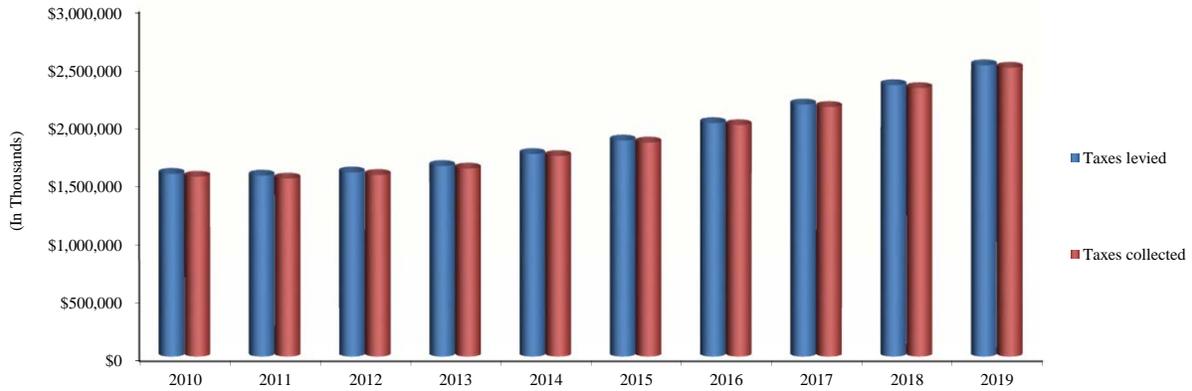
¹ Taxable assessed value includes locally and state assessed real and personal properties.

² Total taxable assessed value as of January 1, 2019, was about \$225 billion.

COUNTY OF SAN MATEO
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Total Tax Levy for the Fiscal Year					Collected within the Fiscal Year of the Levy		Total Collections to Date		
	General Levy ¹	Debt Service Levy ²				Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
	Countywide	Local			Total ³					
		Districts	Schools	Cities						
2010	\$ 1,452,381	\$ 1,241	\$ 113,505	\$ 5,899	\$ 1,573,026	\$ 1,539,805	97.89%	\$ 8,648	\$ 1,548,453	98.44%
2011	1,432,623	1,240	118,720	5,341	1,557,924	1,539,265	98.80%	(6,744)	1,532,521	98.37%
2012	1,448,224	1,233	130,692	5,349	1,585,498	1,564,562	98.68%	(743)	1,563,819	98.63%
2013	1,496,295	1,235	137,591	5,442	1,640,563	1,615,533	98.47%	3,041	1,618,574	98.66%
2014	1,584,637	1,233	151,643	5,362	1,742,875	1,723,890	98.91%	2,289	1,726,179	99.04%
2015	1,672,818	1,237	179,632	5,347	1,859,034	1,838,579	98.90%	3,260	1,841,839	99.08%
2016	1,800,795	1,716	201,131	5,051	2,008,693	1,985,831	98.86%	5,165	1,990,996	99.12%
2017	1,936,533	1,636	224,731	4,865	2,167,765	2,142,107	98.82%	4,715	2,146,822	99.03%
2018	2,088,094	1,897	239,323	4,880	2,334,194	2,302,415	98.64%	6,315	2,308,730	98.91%
2019	2,254,498	2,742	242,669	4,908	2,504,817	2,483,644	99.15%	n/a	2,483,644	99.15%

Legal Debt Service Limit



Source: Controller's Office - County of San Mateo, California

Notes:

Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax and debt service revenues.

¹ Figures show general tax dollars from secured, unsecured, homeowners, unitary and utility assessment rolls after tax shifts to schools.

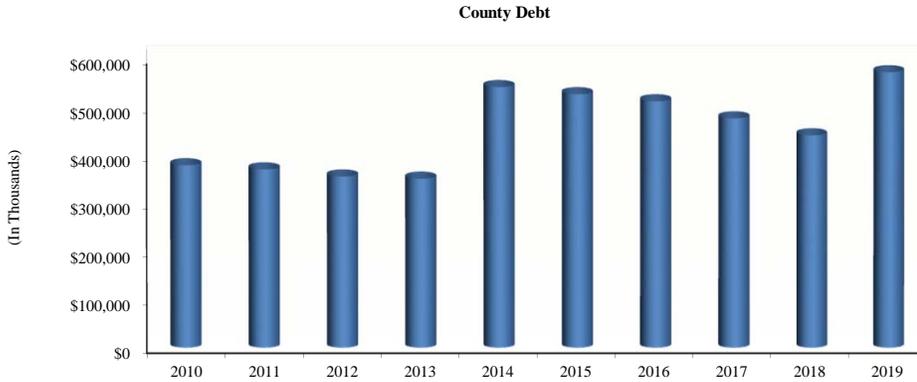
² Figures represent debt service levy for the local taxing agencies.

³ Total taxes levied for each fiscal year are based on the original property value assessment rolls provided by the County Assessor's Office.

n/a - Information is unavailable.

COUNTY OF SAN MATEO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita (In Absolute \$)
	Lease Revenue Bonds ¹	Certificates of Participation ²	Revenue Refunding Bonds ³	Notes Payable	Other Long-term Obligation	Subtotal	Notes Payable	Other Long-term Obligation	Subtotal			
2010	\$ 350,322	\$ 23,428	\$ -	\$ 173	\$ 89	\$ 374,012	\$ 4,595	\$ 345	\$ 4,940	\$ 378,952	0.77%	\$ 502
2011	339,076	23,076	-	154	4,047	366,353	3,863	181	4,044	370,397	0.73%	511
2012	326,750	22,709	-	134	2,894	352,487	3,139	-	3,139	355,626	0.64%	488
2013	324,091	22,322	-	124	1,887	348,424	2,818	-	2,818	351,242	0.59%	477
2014	513,149	21,914	-	124	1,486	536,673	3,865	-	3,865	540,538	0.78%	725
2015	498,063	21,488	-	-	2,293	521,844	4,000	-	4,000	525,844	0.70%	698
2016	483,331	-	21,409	-	2,947	507,687	3,511	-	3,511	511,198	0.62%	667
2017	448,318	-	20,638	-	2,613	471,569	3,116	1,158	4,274	475,843	n/a	618
2018	412,360	-	19,867	-	4,441	436,668	2,706	1,409	4,115	440,783	n/a	569
2019	551,005	-	16,815	-	-	567,820	2,277	1,138	3,415	571,235	n/a	738



Source: County Comprehensive Annual Financial Reports.

Notes:

- ¹ Lease revenue bonds are limited obligations of the San Mateo County Joint Powers Financing Authority (JPFA) payable solely from, and secured by, revenues of the JPFA, which primarily consist of base rental payments receivable from the County under Master Facility Leases.
- ² Certificates of participation represent shares of lease-purchase payments from the Colma Creek Flood Control District via the JPFA. These tax-exempt certificates are sold publicly and privately to investors.
- ³ In FY 2015-16, the San Mateo County Flood Control District issued \$21.5 million Revenue Refunding Bonds to refund the certificates of participation.

COUNTY OF SAN MATEO
Direct and Overlapping Debt
As of June 30, 2019
(In Thousands)

Assessed valuation (including unitary utility valuation)	\$ 225,449,784		
Redevelopment Incremental Assessed Valuation	\$ 21,636,964		
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
	Debt	Estimated	Estimated
	Outstanding	Percentage	Share of
		Applicable¹	Overlapping
			Debt⁴
Direct General Fund Obligation Debt			
San Mateo County General Fund Obligations	\$ 551,005	100.00%	\$ 551,005
San Mateo County Flood Control District Revenue Refunding Bonds	16,815	100.00%	16,815
Total direct debt	567,820		567,820
Overlapping General Fund Obligation Debt			
<i>Cities</i>			
City of Brisbane General Fund and Pension Obligations	8,796	100.00%	8,796
City of Burlingame General Fund and Pension Obligations	19,330	100.00%	19,330
City of Daly City Pension Obligations	17,920	100.00%	17,920
City of Pacifica General Fund Obligations and Pension Obligations	23,635	100.00%	23,635
City of San Mateo General Fund Obligations	24,995	100.00%	24,995
Other City General Fund and Pension Obligations	29,957	100.00%	29,957
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	117,451	30.74%	36,102
Menlo Park Fire Protection District Certificates of Participation	10,205	100.00%	10,205
Highland Recreation District General Fund Obligations	2,549	100.00%	2,549
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	8,140	100.00%	8,140
South San Francisco Unified School District Certificates of Participation	3,585	100.00%	3,585
Jefferson Union High School District Certificates of Participation	656	100.00%	656
Burlingame School District General Fund Obligations	3,200	100.00%	3,200
Portola Valley School District Certificates of Participation	1,610	100.00%	1,610
San Bruno School District General Fund Obligations	3,150	100.00%	3,150
Total overlapping general fund obligation debt	275,179		193,830
Overlapping Tax and Assessment Debt			
<i>Cities</i>			
	49,305	100.00%	49,305
<i>Special Districts</i>			
Midpeninsula Open Space Park District	92,460	30.74%	28,420
Montara Sanitary District	9,290	100.00%	9,290
Community Facilities Districts	102,285	100.00%	102,285
1915 Act Bonds	11,144	100.00%	11,144
<i>School Districts</i>			
San Mateo Community College District	801,050	100.00%	801,050
Cabrillo Unified School District	90,951	100.00%	90,951
La Honda-Pescadero Unified School District	9,225	100.00%	9,225
South San Francisco School District	170,344	100.00%	170,344
Jefferson Union High School District	237,696	100.00%	237,696
San Mateo Union High School District	511,074	100.00%	511,074
Sequoia Union High School District	518,005	100.00%	518,005
Belmont-Redwood Shores School and School Facilities Improvement Districts	120,787	100.00%	120,787
Burlingame School District	119,077	100.00%	119,077
Hillsborough School District	69,085	100.00%	69,085
Jefferson School District	108,410	100.00%	108,410
Menlo Park City School District	127,776	100.00%	127,776
Millbrae School District	53,785	100.00%	53,785
Redwood City School District	135,719	100.00%	135,719
San Carlos School District	115,741	100.00%	115,741
San Mateo - Foster City School District	268,913	100.00%	268,913
Other School District	271,424	100.00%	271,424
Total overlapping tax and assessment debt	3,993,546		3,929,506
Overlapping Tax Increment Debt	168,153	100.00%	168,153
Total overlapping debt	4,436,878		4,291,489
Total direct and overlapping debt	\$ 5,004,698 ²		\$ 4,859,309
Ratio of total direct and overlapping debt to adjusted assessed value:	2.22%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value ³ of \$21,636,964	0.78%		

Source: California Municipal Statistics, Inc.

¹ Percentage of overlapping agency's assessed valuation located within the boundaries of the county.

² This total excludes enterprise revenue, mortgage revenue, tax and revenue anticipation notes, and non-bonded capital lease obligations.

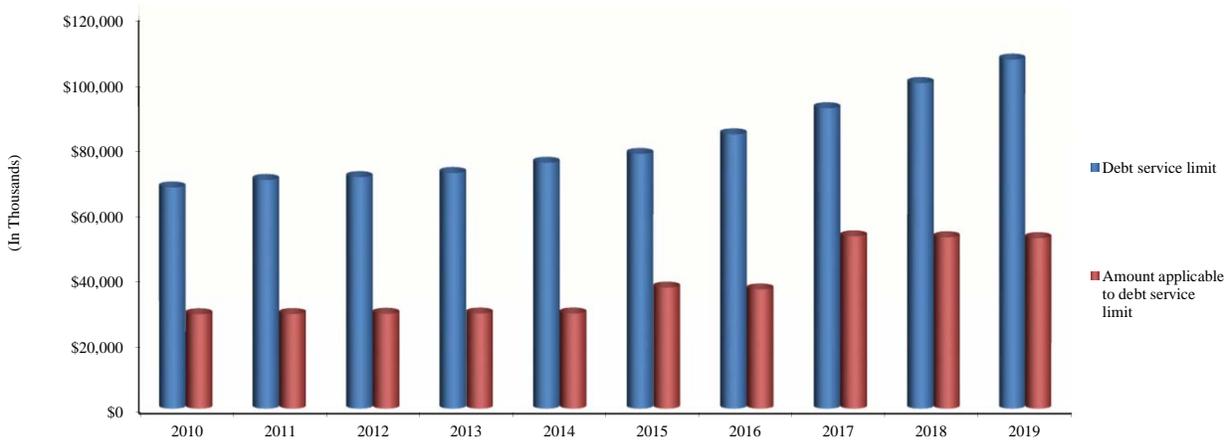
³ Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment.

⁴ Overlapping debt refers to liability incurred by a municipality or local government body in partly or fully financing projects falling in the jurisdiction of such other bodies.

COUNTY OF SAN MATEO
Legal Debt Service Margin Information
Last Ten Fiscal Years
(In Thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Annual County budget ¹ for the current and preceding four fiscal years	\$ 1,689,809	\$ 1,747,657	\$ 1,768,913	\$ 1,800,809	\$ 1,878,770	\$ 1,946,229	\$ 2,095,976	\$ 2,295,408	\$ 2,487,914	\$ 2,667,040
Legal debt service limit ²										
4% of average county annual budget for the current and preceding four fiscal years	67,592	69,906	70,757	72,032	75,151	77,849	83,839	91,816	99,517	106,682
Less: Amount applicable to debt service limit ³	<u>(28,847)</u>	<u>(28,904)</u>	<u>(28,996)</u>	<u>(29,065)</u>	<u>(29,086)</u>	<u>(36,996)</u>	<u>(36,436)</u>	<u>(52,661)</u>	<u>(52,384)</u>	<u>(52,119)</u>
Legal debt service margin	<u>\$ 38,745</u>	<u>\$ 41,002</u>	<u>\$ 41,761</u>	<u>\$ 42,967</u>	<u>\$ 46,065</u>	<u>\$ 40,853</u>	<u>\$ 47,403</u>	<u>\$ 39,155</u>	<u>\$ 47,133</u>	<u>\$ 54,563</u>
Legal debt service margin as a percentage of debt service limit	57.32%	58.65%	59.02%	59.65%	61.30%	52.48%	56.54%	42.65%	47.36%	51.15%

Legal Debt Service Limit



Source: County's Adopted Budget Books

Notes:

¹ The annual County budget represents the adopted annual budget of all funds in the County.

² County Ordinance No. 3773 requires the Board of Supervisors establish the County debt service limit annually. Under this ordinance, the debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years, and shall be for non-voter approved debt that is the obligation of the County. The debt service limit does not apply to certificates of participation for the Colma Creek Flood Control District.

³ The information reflects debt service payments towards non-voter approved debt that is the obligation of the County.

COUNTY OF SAN MATEO
Pledged Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

1993 Lease Revenue Bonds
Purpose: Defeased 1991 Certificates of Participation and financed the costs of a parking garage and jail.

Funding Source: General Fund and Criminal Justice Facilities Fund.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2010	\$ 5,097	\$ 2,560	\$ 2,825	0.95
2011	5,085	2,720	2,654	0.95
2012	5,087	2,905	2,472	0.95
2013	5,073	3,085	2,276	0.95
2014	5,070	3,290	2,069	0.95
2015	5,064	3,505	1,848	0.95
2016	4,889	3,730	1,613	0.92
2017	4,886	3,975	1,234	0.94
2018	4,889	4,230	1,125	0.91
2019	4,894	4,450	789	0.93

2009 Lease Revenue Bonds
Purpose: Provided funds to refund a portion of outstanding 1997 Bonds and the outstanding 1999 Bonds, to pay for costs of issuance of the 2009 Bonds, and to pay for other costs relation to the refunding.

Funding Source: General Fund, SB1732, Federally Qualified Health Center reimbursement, and tobacco settlement.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2010	\$ -	\$ -	\$ -	-
2011	10,434	4,440	5,993	1.00
2012	10,486	5,200	5,286	1.00
2013	10,530	5,475	5,055	1.00
2014	10,569	5,765	4,804	1.00
2015	10,630	6,080	4,550	1.00
2016	10,644	6,350	4,294	1.00
2017	10,685	6,675	4,010	1.00
2018	9,844	6,145	3,699	1.00
2019	9,863	6,475	3,388	1.00

2013 Lease Revenue Bonds
Purpose: To provide funds, together with other available moneys, (i) to redeem outstanding 1997, 1999, and 2001 Bonds, (ii) finance certain capital improvements, and (iii) to pay costs of issuance of the 2013 Bonds.

Funding Source: County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2014	\$ 861	\$ -	\$ 861	1.00
2015	2,941	990	1,951	1.00
2016	3,073	1,155	1,918	1.00
2017	3,071	1,200	1,871	1.00
2018	3,066	1,250	1,816	1.00
2019	3,071	1,320	1,751	1.00

2014 Lease Revenue Bonds
Purpose: To provide funds, together with other available moneys, (i) to finance the acquisition, construction, and equipping of the Maple Street Correctional Center, (ii) to refund all of the outstanding notes previously issued by the County in FY 2013-14, the proceeds of which were used to reimburse the County for the purchase price of the jail project site, (iii) to pay capitalized interest on the 2014 Bonds through May 30, 2016, (iv) to provide the Reserve Account Requirement, and (v) pay issuance costs of the 2014 Bonds.

Funding Source: County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2014	\$ -	\$ -	\$ -	-
2015	-	-	8,775	-
2016	8,079	-	8,079	1.00
2017	25,824	17,745	8,079	1.00
2018	25,453	18,085	7,368	1.00
2019	23,464	16,910	6,554	1.00

2015 Revenue Refunding Bonds
Purpose: To provide funds, together with other available moneys, (i) to refund its Certificates of Participation in the Colma Creek Flood Control Zone, and (ii) to pay issuance costs of the 2015 Bonds.

Funding Source: Colma Creek Flood Control District.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio
		Principal	Interest	
2016	\$ -	\$ -	\$ 442	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-

2016 Lease Revenue Bonds
Purpose: To provide funds, together with other available moneys, (i) to refund outstanding 2008 Bonds to pay costs of issuance of the 2016 Bonds, and to pay costs relating to the refunding of the 2008 Bonds.

Funding Source: County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2016	\$ -	\$ -	\$ -	-
2017	7,744	3,375	4,369	1.00
2018	7,741	3,290	4,451	1.00
2019	7,743	3,410	4,333	1.00

(Continued)

COUNTY OF SAN MATEO
Pledged Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

2018 Lease Revenue Bonds

Purpose: To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.

Funding Source: County departments occupying the facilities.

<u>Fiscal Year</u>	<u>Available</u>	<u>Debt Service</u>		<u>Coverage</u> <u>ratio</u> ¹
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 1,669	\$ -	\$ 1,669	1.00

Sources:

Available revenue - per contributions from responsible departments.

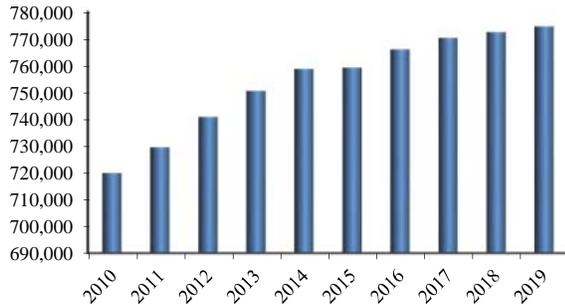
Principal and interest - per debt service schedules.

¹ Debt service payments not covered by available revenues were funded by amounts available in accounts with Trustee.

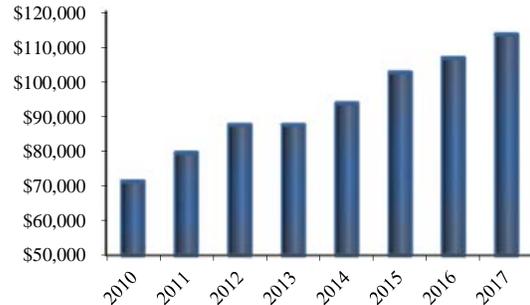
COUNTY OF SAN MATEO
Demographic and Economic Statistics
Last Ten Years

Year	Population¹ (January 1st)	Total Personal Income⁵ (in millions)	Per Capita Personal Income⁵	Median Age⁴	K-12 Public School Enrollment²	Average Unemployment Rate³
2010	719,951	\$ 51,264	\$ 71,204	39.3	91,371	8.9%
2011	729,425	57,965	79,465	39.4	92,097	8.3%
2012	740,738	64,765	87,523	39.6	93,674	7.0%
2013	750,489	65,656	87,501	39.3	93,931	5.7%
2014	758,581	71,111	93,672	39.4	94,667	4.2%
2015	759,155	78,607	102,516	39.8	95,187	3.3%
2016	765,895	82,046	106,615	39.5	95,502	3.3%
2017	770,256	87,486	113,410	39.9	95,620	2.9%
2018	772,372	n/a	n/a	n/a	95,155	2.5%
2019	774,485	n/a	n/a	n/a	94,234	2.2%

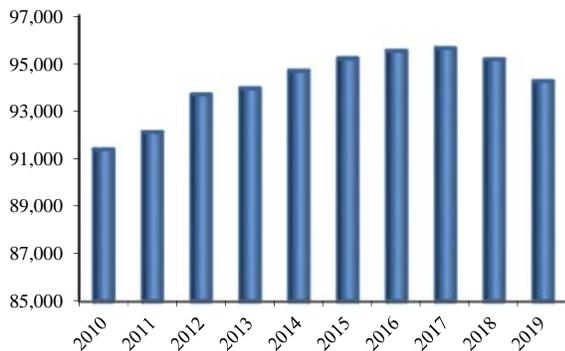
Population



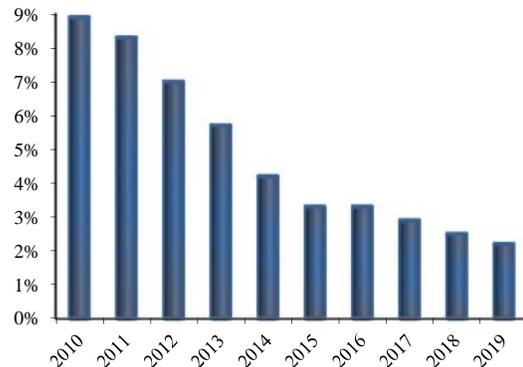
Per Capita Personal Income



K-12 Public School Enrollment



Average Unemployment Rate



Sources:

- ¹ Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- ² Data include retroactive revisions by the State of California Department of Education.
- ³ Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.
- ⁴ U.S. Census Bureau, American Community Survey.
- ⁵ Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

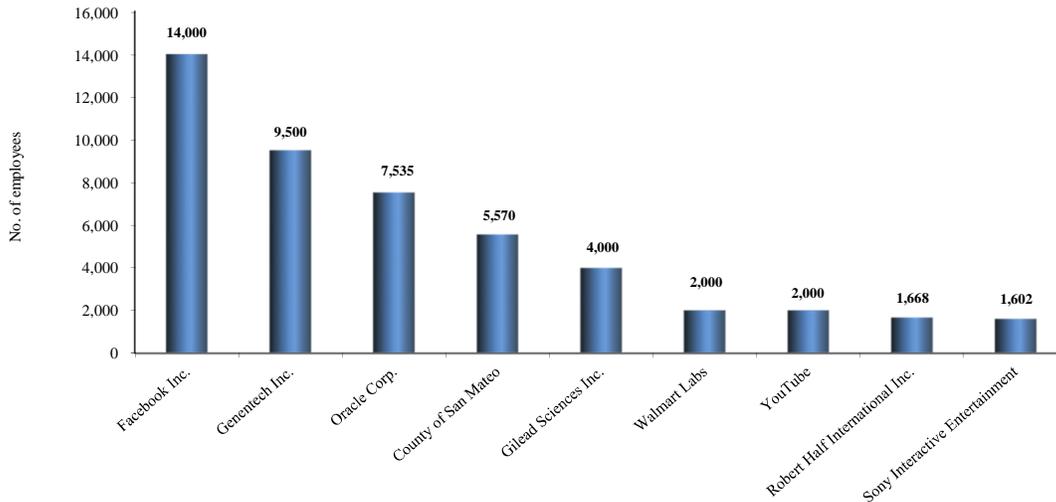
Note:

All data are presented in calendar year except for public school enrollment and average unemployment rate.
n/a - Information is unavailable.

**COUNTY OF SAN MATEO
Principal Employers
Year 2018 and Year 2010**

Employer	Business Type	2018 ¹			2010		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Facebook Inc.	Social Network	14,000	1	3.13%			
Genentech Inc.	Biotechnology	9,500	2	2.12%	8,800	1	2.57%
Oracle Corp.	Hardware and Software	7,535	3	1.68%	5,600	3	1.64%
County of San Mateo	Government	5,570	4	1.25%	6,079	2	1.78%
Gilead Sciences Inc.	Biotechnology	4,000	5	0.89%			
Walmart Labs	Retail Technology	2,000	6	0.45%			
YouTube	Online Video-Streaming Platform	2,000	7	0.45%			
Robert Half International Inc.	Personnel Services	1,668	8	0.37%			
Sony Interactive Entertainment	Interactive Entertainment	1,602	9	0.36%			
Electronic Arts, Inc.	Interactive Entertainment	1,520	10	0.34%			
Kaiser Permanente	Health Care				3,777	4	1.10%
Mills Peninsula Health Services	Health Care				2,500	5	0.73%
Visa Inc.	Global Payments Technology				2,462	6	0.72%
Safeway, Inc.	Retail Grocer				2,075	7	0.61%
San Mateo County Community College District	Public Education				1,951	8	0.57%
SLAC National Accelerator Laboratory	Scientific Research				1,764	9	0.52%
Seton Medical Center	Hospital				1,672	10	0.49%
Total		49,395		11.04%	36,680		10.73%

**Principal Employers
Year 2018**



Source: San Francisco Business Times - 2019 Book of Lists.
California Employment Development Department

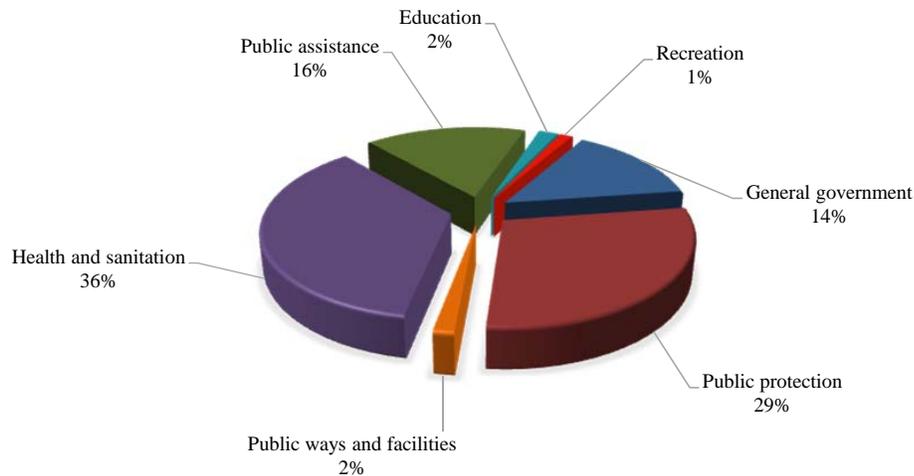
Notes:

¹ The latest information available for principal employers in the County.

COUNTY OF SAN MATEO
Full-time Equivalent County Employees by Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	774	740	736	700	704	706	746	762	796	811
Public protection	1,432	1,423	1,389	1,422	1,454	1,531	1,545	1,581	1,606	1,621
Public ways and facilities	96	90	85	86	86	85	92	86	86	86
Health and sanitation	2,022	1,995	1,932	1,802	1,851	1,906	1,961	1,955	1,976	2,011
Public assistance	960	887	890	931	979	915	921	924	924	928
Education	114	-	112	108	108	109	110	109	111	111
Recreation	52	52	51	49	59	57	64	68	71	72
Total full-time equivalent employees ¹	5,450	5,187	5,195	5,098	5,241	5,309	5,439	5,485	5,570	5,640

Full-time Equivalent County Employees by Function
As of June 30, 2019



Source: County's Budget System - County of San Mateo, California

Notes:

¹ The full-time equivalent (FTE) employee count is based on the information available in the County's Budget System and may change due to revision.

COUNTY OF SAN MATEO
Operating Indicators by Function
Fiscal Years 2017-2018

Function ¹	Fiscal Year ²	
	2017	2018
<u>General Government</u>		
<i>County Manager's Office</i>		
Issuer credit rating from Moody's/Standard & Poor's	Aaa/AAA	Aaa/AAA
<i>County Counsel</i>		
Percent of post-litigation survey respondents rating services	95%	100%
<i>Treasurer Tax Collector</i>		
Dollar earnings in County pool due to investments	\$51M	\$73M
<u>Public Protection</u>		
<i>District Attorney</i>		
Percent of clients rating victim services as good or better	81%	90%
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general jurisdiction	22,892	18,603
<i>Sheriff's Office</i>		
<i>Forensic Laboratory</i>		
Percent of customers rating forensic laboratory services as good or better	95%	90%
<i>Patrol Bureau</i>		
Average response time for priority one calls	5.17	4.53
Number of life endangering interventions on railway system	36	40
<i>Investigations Bureau</i>		
Annual clearance rates of violent crimes	55%	59%
<i>Maguire Correctional Facility</i>		
Number of persons booked into custody	14,614	14,962
<i>Court Security and Transportation Services</i>		
Number of inmates transported annually per deputy	2,575	2,502
<i>Probation Department</i>		
<i>Adult Services</i>		
Percent of adult probationers completing probation without a new sustained law violation	78%	83%
<i>Juvenile Services</i>		
Percent of juvenile probationers completing probation without new sustained law violations	81%	85%
<i>Institutions Services</i>		
Percent of Youth successfully completing the Community Care Program	93%	n/a
³ Percent of youth not committing a new law violation	89%	77%
<i>Coroner's Office</i>		
Percent of survey respondents rating services good or better	90%	88%
<u>Public Ways and Facilities</u>		
<i>Department of Public Works</i>		
<i>Facilities Services</i>		
<i>Facilities Condition Measure</i>		
Office/ Other Building	6.4%	6.5%
Detention	4.0%	4.5%
Health/ Hospitals	5.1%	5.0%
<i>Construction Services</i>		
Percent of jobs completed within budget/schedule	100%	100%
<i>Waste management</i>		
Number of resolved sewer/sanitation district customer requests related to sewer lateral back-ups	594	567

Source: County's Adopted Budget for FY 2018-19

n/a - not applicable

¹ Functions/programs operate by the County.

² The County continuously develops and updates new set of performance measures yearly.

³ The latest information available for operating indicators by function in the County.

(Continued)

COUNTY OF SAN MATEO
Operating Indicators by Function
Fiscal Years 2017-2018

Function ¹	Fiscal Year ²	
	2017	2018
<u>Health and Sanitation</u>		
<i>Health System</i>		
Health Administration		
Percent of stakeholders respondents rating services good or better	90%	83%
Health Coverage Unit		
Projected eligible uninsured to be enrolled in Covered California	24,730	25,210
Emergency Medical Services		
Percent of ambulance emergency medical service calls responded to on time per contract standards	93%	93%
Community-Based Programs		
Percent of Adult Protective Services cases that are resolved and stabilized for at least twelve months	86%	88%
Environmental Health Services		
Percent of suspected food-borne illness complaints responded to within one business day	99%	98%
Mental Health Adult Services		
Percent of adults who receive a follow up visit within 7 days of an inpatient stay from a psychiatric hospital	64%	50%
Correctional Health Services		
Percent of juvenile offenders receiving timely histories and physicals within 96 hours of incarceration	100%	100%
San Mateo Medical Center		
Likelihood to recommend SMMC to family and friends as a great place to receive care	86%	68%
<u>Public Assistance</u>		
<i>IHSS Public Authority</i>		
Average number of days it takes to provide a registry caregiver	6	13
<i>Human Services Agency</i>		
Key Performance Measures		
Percent of applications for public assistance programs such as Medi-Cal that are processed within State standards for timeliness	84%	79%
Percent of applications for public assistance programs such as CalFresh that are processed within State standards for timeliness	91%	91%
Percent of applications for public assistance programs such as CalWORKs that are processed within State standards for timeliness	95%	97%
Percent of Children who Exited to a Permanent Home Within 12 Months of Entering Foster Care	50%	n/a
Percent of foster youth graduating from high school or in GED	74%	75%
Percent of residents receiving nutritional assistance through CalFresh benefits from total estimated population below the poverty limit	50%	46%
Vocational Rehabilitation Services (VRS)		
Overall satisfaction rated good or better for all VRS services	92%	92%
Childcare Services		
Percent of clients residing in homeless transitional shelters that are connected to mainstream services and benefits	93%	87%
Percent of clients receiving food assistance by Core Service Agencies	90%	99%
<i>Department of Housing</i>		
Housing & Community Development		
Number of households benefitting directly from County administered loans and grants for home purchase, repair, or rehabilitation	141	151
Housing Authority		
Number of individuals and families through Provider Based Assistance Program	50	48
<u>Recreation</u>		
<i>Parks & Recreation</i>		
Percent of customers rating services and experiences 'good' or 'excellent'	93%	94%
<i>Coyote Point Marina</i>		
Percent of customers rating marina services and experiences 'good' or 'excellent'	93%	93%

Source: County's Adopted Budget for FY 2018-19

n/a - not applicable

¹ Functions/programs operate by the County.

² The County continuously develops and updates new set of performance measures yearly.

COUNTY OF SAN MATEO
Capital Asset Statistics by Function
Last Ten Fiscal Years

	<u>Fiscal Year Ended June 30,</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Governmental Activities:</u>										
General government										
Child care centers	2	2	2	2	2	2	2	2	2	2
Fairground	1	1	1	1	1	1	1	1	1	1
Grant yards	6	6	6	6	6	6	6	6	6	6
Law library	1	1	1	1	1	1	1	1	1	1
Office buildings	4	4	4	4	4	4	4	4	4	4
Parking structures	1	2	2	2	2	2	2	2	2	2
Public protection										
Fire stations	4	4	4	4	4	4	4	4	4	4
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Jail	2	2	2	2	2	2	2	3	3	3
Youth services center	1	1	1	1	1	1	1	1	1	1
Public ways and facilities										
Road										
Pavement (miles)	315.39	315.39	315.50	315.50	315.50	315.80	316.10	316.20	316.23	316.23
Bridges	31	31	32	33	33	33	33	33	33	33
Traffic signals	19	19	19	19	19	19	19	19	19	19
Flashing Beacons	3	4	4	4	4	4	4	4	2	6
Lighted Crosswalks	4	4	4	4	4	6	6	8	6	14
Radar Feedback signs	10	11	11	11	11	11	11	14	11	22
Sewer and water										
Sewer:										
Sanitary sewers (miles)	144.18 ¹	144.18	144.18	144.18	144.18	144.18	144.18	144.18	144.18	144.18
Water:										
Water mains (miles)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Fire hydrants	20	20	20	20	20	20	20	20	20	21
Storage capacity (thousands of gallons)	710	710	710	710	710	710	710	710	850	850
Lighting										
Street lights	2166	2167	2167	2179	2193	2194	2194	2197	2197	2,197
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Health and sanitation										
Warehouse	2	2	2	2	2	2	2	2	2	2
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	1	1	1	1	1	1	3	3
Public assistance										
Drug treatment center	1	1	1	1	1	1	1	1	1	1
Employment and training center	1	1	1	1	1	1	1	1	1	1
Recreation										
Parks	19	19	19	19	19	19	20	20	20	20
<u>Business-type Activities:</u>										
Medical center	1	1	1	1	1	1	1	1	1	1
Airports	2	2	2	2	2	2	2	2	2	2
Coyote Point Marina Recreation Area	1	1	1	1	1	1	1	1	1	1

Sources:

County Capital Asset Master File
Department of Public Works

Notes:

¹ Less sanitary sewer miles are maintained in the Emerald Lake Heights Sewer Maintenance District.



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