

# COUNTY OF SAN MATEO, CALIFORNIA

## Comprehensive Annual Financial Report

### Fiscal Year Ended June 30, 2020



Regional Operations Center Building, County Center, Redwood City



Emergency Operations Center activated for COVID-19 and CZU Lightning Fire events



Cal Fire truck responded to San Mateo-Santa Cruz CZU Lightning Fire

**Juan Raigoza, Controller**

# County of San Mateo, California

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020



**Juan Raigoza**  
**Controller**

**COUNTY OF SAN MATEO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2020**

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## **INTRODUCTORY SECTION**

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December 11, 2020

The Honorable Members of the Board of Supervisors and  
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, 2020 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, 2020. 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 4-22 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. It 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 its 773,244 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, 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 (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-Chief Elections Officer, Controller, Coroner, District Attorney, Sheriff, and Treasurer-Tax Collector.

Included in the County’s operations are various “blended” component units which provide specific services county-wide 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: 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, lighting, and other services.

## **Key Financial Policies**

### **Investments**

The County investment pool was established to meet its 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 7, 2020. 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 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.

In 2011, the Board authorized the use of 50% of future Excess Educational Revenue Augmentation Fund (ERAF) proceeds for ongoing purposes. Any money in the ERAF that is in excess of the total amount that applicable school districts are eligible to receive is returned to taxing agencies in the same proportion as their contributions. 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.

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 County-wide 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 the Controller without Board 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 California Senate Bill 1029. The policy develops a systematic and prudent approach to debt issuance and debt management. 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. The County's Joint Powers Financing Authority approved the same policy.

### **Economic and Financial Outlook**

Social-distancing requirements and other actions taken to reduce the number of lives lost to COVID-19 resulted in a sharp reduction to economic activity early in 2020. The economy in the County and throughout the world started to recover in the summer and fall; but, as of this report's date in early winter, economic activity is decreasing again due to increased viral spread and renewed business closures.

Global economic growth, measured using Gross Domestic Product (GDP), is projected to decrease by -4.4% for 2020. The 2019 growth rate was 2.9% while the 2021 rate is forecasted to be 5.2%. The United States' GDP change is forecasted to contract by -6.1% in 2020, down from an increase of 2.3% in 2019. A U.S. growth rate of 4.0% is projected for 2021 according to the World Bank.

Unemployment rates had declined steadily over several years, but increased significantly this last year due to the COVID-19 pandemic. As of October 2020, the County's unemployment rate was 6.0% which was an increase from 1.9% in October 2019, but still lower than both the State's rate of 9.0% and national rate of 6.9%.

Certain labor markets were impacted more than others. For the State, the year-over-year percent change from October 2019 to October 2020 for the number of leisure and hospitality jobs, which includes food services (restaurants), accommodation (lodging), entertainment and recreation, decreased by -25.4%.

The health of the local real estate market and associated changes in assessed property values are indicators of the County's financial outlook. Property tax revenues are the County's largest source of General Fund revenues.

Property values experienced their ninth consecutive year of record growth in fiscal year (FY) 2020-21, when the total value (as of the lien date of January 1, 2020) of assessed properties within the County increased by 7.02% to \$255.1 billion. This will increase the County-wide multi-jurisdictional property tax revenue base to \$2.55 billion for FY 2020-21, the current year that ends on June 30, 2021. County-wide property tax revenues are used by local taxing agencies (schools, cities, special districts, and County) that operate within San Mateo County. Total property values for FY 2021-22, with a lien date of January 1, 2021, are expected to grow but perhaps not by as much as in recent prior years.

The median sale price paid for a Bay Area single-family home in October 2020 was \$1,100,000, up 17.0% from \$940,000 in October 2019. Within the County, the median single-family home price in November 2020 was \$1,650,000, a 3.1% increase from \$1,600,000 in November 2019. The County's median condominium home price increased 1.7% to \$910,000 in November 2020 from \$894,500 in November 2019.

The local commercial real estate market appears to have lost some strength during this past year. The average asking rate to lease office space in the County increased nominally by 1.9%, from \$5.88 per square foot the quarter ended September 2019 to \$5.99 for quarter ended September 2020. Meanwhile, the County's vacancy rate for office space properties increased to 10.0% for quarter ended September 2020, up from 6.2% for quarter ended September 2019.

The actions taken to reduce the risk of spreading the virus and to save lives within the community, including many workers currently teleworking, appear to be reducing the current demand from certain employers for office space and other commercial properties. Local office and other commercial properties' vacancy rates and leasing rates are indicators of the overall demand for commercial space and of the general economy within the County.

Additional statistical information and multi-year trend charts, as of June 30, 2020, are presented on page vii titled "Factors Affecting Economy".

## **Long-Term Financial Planning**

### **Employees' Retirement Plan**

As of June 30, 2020, the County's net pension liability was \$582.9 million up from prior year's \$463.0 million. Using a discount rate of 6.67%, the plan's funded ratio was 88.5% as of June 30, 2020, down from prior year's 90.0%. Contributions from the County to the pension plan totaled \$188.6 million in FY 2019-20. For several years, the County had been accelerating the payment of unfunded pension liabilities by making annual contributions in excess of the contractually required annual amounts. These additional contributions were estimated to save the County hundreds of millions in cumulative contributions and, therefore, reduce operating costs in future years.

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 6.67% to 5.67% would increase the County's net pension liability for financial statement reporting purposes from \$582.8 million to \$1.318 billion.

### **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.

For the year ended June 30, 2020, the County contributed \$28.2 million to the Retiree Health Plan. Using a discount rate of 6.50%, the plan's funded ratio was 77.5% as of June 30, 2020, up from prior year's 74.6%. The County's net OPEB liability was \$93.5 million as of June 30, 2020, down from prior year's \$100.2 million.

### **Infrastructure**

The County is currently investing significant resources in County buildings and other infrastructure. During FY 2019-20, \$92 million was spent on construction in progress and \$10.6 million on new equipment.

The Adopted Budget for FY 2020-21 includes a total of \$459.7 million for capital projects funded by the General Fund, Measure K, bonds, and other funding sources. The County had four major capital projects underway in FY 2019-20 that are still under construction in FY 2020-21. They include the County Parking Structure 2, County Office Building 3, San Mateo County Health Campus Upgrade, and Cordilleras Mental Health Facility projects. Other major projects include replacing the County's morgue and making significant improvements to both Flood Park and Coyote Point Park.

### **Sea-Level Rise and Other Climate-Related 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 powers of the San Mateo County Flood Control District, which was initially formed to control floodwater and storm water, have been expanded.

In September 2019, the State passed AB 825 renaming the San Mateo County Flood Control District to the San Mateo County Flood and Sea Level Rise Resiliency District, which is now governed by a separate Board. This new district was given the additional responsibility of addressing and protecting against the impacts of sea-level rise. As a result of the change in governance structure, the San Mateo County Flood and Sea Level Rise Resiliency District is not included as a part of in the County's reporting entity. These changes were effective January 1, 2020.

## COVID-19 Emergency

In February 11, 2020, the World Health Organization (WHO) announced an official name (COVID-19) for the disease that caused the novel coronavirus outbreak in 2019. The WHO and Centers for Disease Control and Prevention declared COVID-19 a serious public health threat. On March 1, 2020, the President issued a Proclamation to Declare a National Emergency concerning the COVID-19 outbreak. Two days later the County Manager issued a proclamation of local emergency, followed soon after by the County Health Officer's Shelter-in-Place order. Since then the County has been engaged in responding to protect the health and safety of the community while continuing to provide essential governmental services in a safe manner.

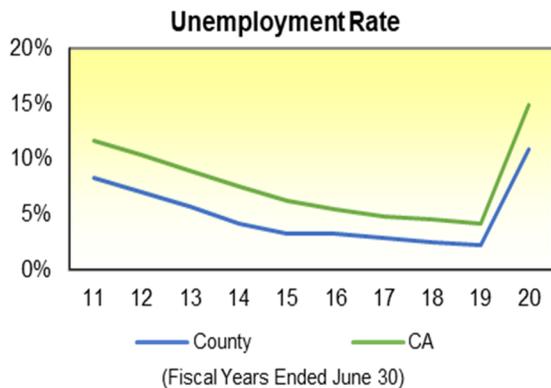
Most of the resources being used in response to the pandemic are federal CARES Act (Coronavirus Aid, Relief, and Economic Security Act) and FEMA (Federal Emergency Management Agency) funds. The amounts for the activities/programs listed below represent total expected expenditures, both spent in FY 2019-20 and to be incurred in FY 2020-21, as of the date of this report.

- COVID-19 Testing: \$7.5 million to expand COVID-19 testing in the community, including adding on-site testing locations and increasing mobile testing operations.
- Contact Tracing: \$6.8 million to prevent the further spread of COVID-19.
- Emergency Relief for Individuals and Families: \$4 million for childcare needs and \$2 million for financial assistance.
- Emergency Public Health and Public Safety: \$114 million to respond to medical emergencies and provide housing/shelter, including alternative and non-congregate care sites (e.g. Project Roomkey).
- Telework Capabilities and Distance Learning Access: \$14.7 million total – \$8 million for equipment and software for County employees to respond to the Shelter-in-Place order, and \$6.7 million for public connectivity and to improve internet access for students.
- Emergency Small Business Assistance: \$7.2 million to assist small businesses severely impacted by COVID-19 crisis.
- Home Meals for Seniors – Great Plates: \$20 million to provide three nutritious meals per day to seniors and other adults considered high risk for COVID-19, and to provide economic stimulus to local businesses struggling to stay afloat during the COVID-19 crisis.
- Emergency Food programs: \$5 million total – \$1 million for Supplemental School Meals program for households with children who would otherwise receive free or reduced-price meals if not for their schools being closed due to the COVID-19 emergency, and \$4 million to Second Harvest to provide food assistance to vulnerable populations.
- Immigrant Relief Fund: \$4 million to provide financial assistance to individuals severely impacted by COVID-19 crisis, but not eligible to receive other assistance.
- Housing: \$52.9 million to purchase 4 properties (2 under Project Homekey) for long-term housing and shelter for vulnerable residents experiencing or at risk of homelessness, including those who lost shelter due to COVID-19.

**Factors Affecting Economy**

**Employment**

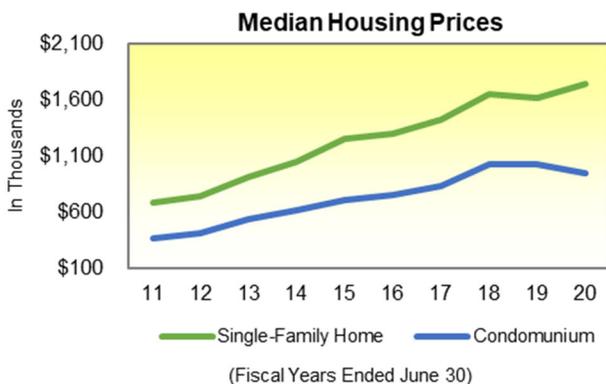
- County had 47,800 unemployed residents as of June 2020, up from 9,900 in June 2019.
- County’s unemployment rate was 10.8% for June 2020, up from 2.2% in June 2019. It decreased to 6.0% in October 2020.
- Among California’s 58 counties, once again, as of June 2020, the County recorded one of the lowest unemployment rates.



Source: California Employment Development Department and U.S. Department of Labor

**Residential Property**

- County’s median single-family house price rose 7.1% to \$1,735,000 in June 2020 from \$1,620,000 in June 2019.
- County’s median condominium price fell 7.8% to \$950,000 in June 2020 from \$1,030,000 in June 2019.



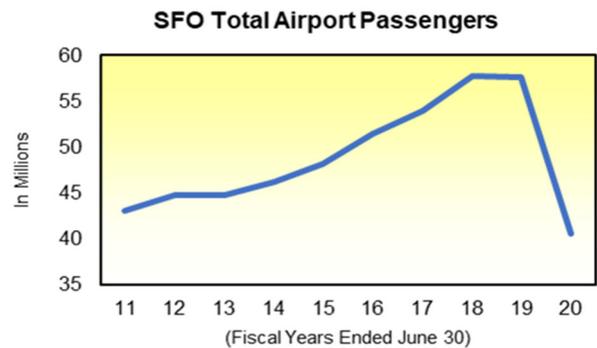
Source: San Mateo County Association of Realtors, based on statistics from Multiple Listing Services, Inc.

**Commercial Property**

- County’s office vacancy rate for quarter ended June 2020 was at 8.5%, higher than 6.7% for June 2019 and 6.4% for June 2018. It increased to 10.0% for quarter ended September 2020.
- Average asking rate to lease office space in the County rose 0.3% to \$5.97 per square foot per month for quarter ended June 2020 from \$5.95 for June 2019, and from \$5.14 for June 2018. It increased to \$5.99 by September 2020.

**Tourism**

- San Francisco Airport’s total passenger volume decreased by 29.4% to 40.6 million for year ended June 2020, down from 57.6 million in prior year. The year-to-date percent decrease, as of October 2020, was 70.1% with 14.5 million passengers served.



Source: SFO Comparative Traffic Reports

**Taxable Sales**

- Taxable sales throughout the County decreased by 5% to \$18.8 billion for year ended June 2020, down from \$19.7 billion for year ended June 2019.

**Median Family Income & Per Capita Income**

- County’s estimated median family income increased to \$144,622 for 2018 (latest data), an 8.0% increase from \$133,877 for 2017.
- County’s per capita personal income increased to \$134,107 in 2019 (latest data), a 4.6% increase from \$128,230 in 2018.

## Meeting the Future

Prior to the COVID-19 pandemic, the County had experienced eight consecutive years of growth. That growth trend not only came to a sudden stop in the County, and throughout the world, but contracted in early 2020. Recovering from this economic contraction has been slow due to the ongoing pandemic. Actions taken to reduce the risk of infections and to help save lives will continue to hurt businesses and workers, some more than others.

Many of the County's current economic indicators are showing signs of weakness compared to the prior year. The County's unemployment rate was 6% as of October 2020; the rate had been 2.1% in February and peaked at 11.4% in April of 2020. Leasing rates for office space were similar to last year while vacancy rates have gone up significantly. This weakness in vacancy rates will likely be temporary during the pandemic; however, it could possibly take longer to see lower rates if many workers continue to telework after the pandemic subsides. Total passenger volume at the San Francisco International Airport decreased by 29.4% for year ended June 30, 2020. Given that the airport is a significant economic engine within the County, this decrease in volume is having a negative impact on the local economy and the County.

The County's diversified local economy, skilled workforce, and desirable location for both residents and businesses, should enable it to do well when the economy recovers later in 2021 as more Americans receive a vaccine for Covid-19. While some employers in the County have currently reduced their workforces, others such as those in the biotech industry in South San Francisco are currently expanding.

The County has several major on-going capital projects, including completion of the 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 strong credit rating (AAA and Aaa) allows it to obtain financing for capital projects at relatively low interest rates.

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. The County will need to continue to monitor proposed legislation and take actions to minimize potential negative impacts.

As the County's economy shifts, it is important to recognize that growing liabilities and over-extending expenditures can limit long-term growth and future financial strength. Hence, in 2020, the County took actions to conserve County funds by decreasing the FY 2020-21 budgets of almost all County departments and implemented a hiring freeze. Additionally, investments in capital projects and on-going operating expenses will continue to require robust budget planning and scrutiny over such expenditures to protect the County's long-term financial health and its ability to provide essential services to residents.

## 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, 2019. This was the twentieth 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, 2019. 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 team and thank the County's independent auditor 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 business in a fiscally responsible manner.

Respectfully submitted,



Juan Raigoza  
Controller



Government Finance Officers Association

Certificate of  
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in Financial  
Reporting

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**County of San Mateo  
California**

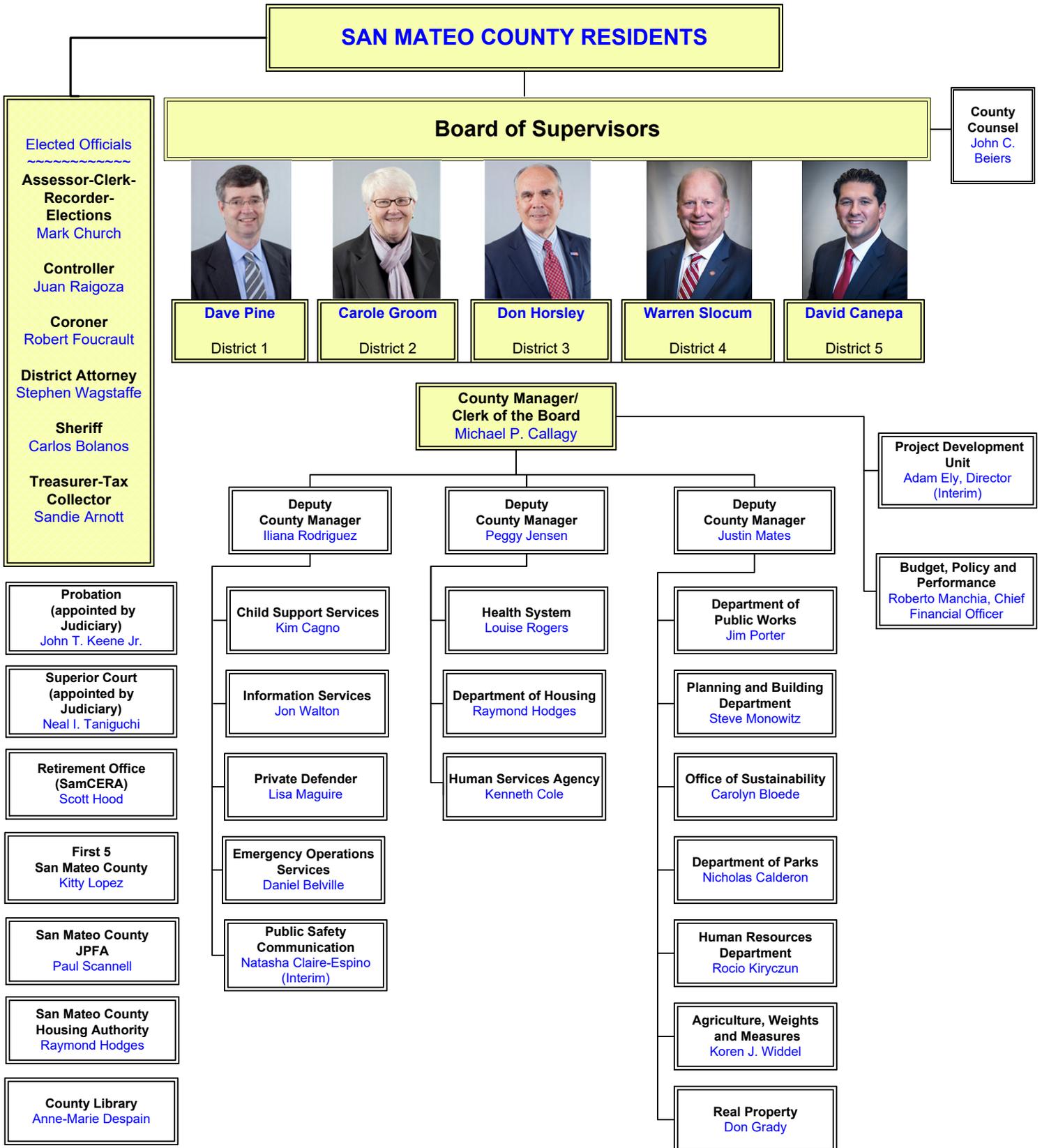
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**COUNTY OF SAN MATEO**  
**Organization Chart**  
 June 30, 2020



**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	Stephen 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.
Chief Financial Officer – <i>(appointed by County Manager)</i>	Roberto Manchia

**DEPARTMENT DIRECTORS**

Agriculture, Weights and Measures	Koren J. Widdel
Child Support Services	Kim Cagno
Housing	Raymond Hodges
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	Carolyn Bloede
Public Safety Communication	Natasha Claire-Espino (Interim)
Office of Emergency Services	Daniel Belville
Project Development Unit	Adam Ely (Interim)
Real Property	Don Grady

**AFFILIATED ORGANIZATIONS**

First 5 San Mateo County, Executive Director	Kitty Lopez
San Mateo County Housing Authority, Director	Raymond Hodges
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, 2020, 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, 2020.

Opinion Unit	Assets and Deferred Outflows	Net Position / Fund Balances	Revenues / Additions
Business-type activities	10%	44%	24%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	52%	56%	6%
Aggregate discretely presented component units	100%	100%	100%

Those statements were audited by other auditors whose reports 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 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, 2020, 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. In our opinion, 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 December 11, 2020, 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  
December 11, 2020



**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, 2020

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, 2020. 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 2019-20 by \$2.7 billion (*net position*):

- \$858.4 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.
- \$321.2 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*).
- \$1,484.1 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$276.4 million to \$2.7 billion over the year. The positive change in County's net position indicates that the financial position of the County is improving.

- \$254.4 million increase in net position was derived from governmental activities with \$97.6 million increase predominantly from property taxes, interest and investment, charges for services, and miscellaneous revenues.
- \$22 million increase in net position was derived from business-type activities with \$12 million increase from the Medical Center, \$9.7 million increase from the Housing Authority, \$0.5 million increase from the Airports, and \$0.1 million increase from Coyote Point Marina.

**Fund financial position**

The County's governmental funds reported combined fund balances of \$1.9 billion at the close of fiscal year, an increase of \$190 million compared to the prior year. About \$1.4 billion (sum of assigned and unassigned fund balances) of this amount, or 72%, is available for spending at the County's discretion.

**Capital assets and debt administration**

The County's *capital assets* increased \$46.8 million to \$1,220.9 million with \$1,139.4 million for the governmental activities and \$81.5 million for the business-type activities. The increase was mainly from \$76.5 million increase in structure & improvements (\$52 million for the Regional Operations Center and \$25 million for the Animal Care Shelter) offset by \$15 million decrease in construction in progress, \$4 million increase in land and easements, \$1.5 million increase in software from completion of the Business Intelligence and Data Analytics Project, \$0.6 million increase in equipment purchases County-wide to meet County-wide operating needs, \$8 million increase in infrastructure from the Sewer System Management plan and Seneca Lane Mudslide Sewer Stabilization Projects, offset by \$28.7 million due to the transition of the Colma Creek Flood Control District from the County's reporting entity with the change in governance pursuant to Assembly Bill No. 825 (see note 17 to the financial statements).

The County's total outstanding *long-term debt*, (including lease revenue bonds, notes payable, and other long-term obligations) decrease \$56.9 million to \$578 million. The decrease was mainly from normal debt payments made on the lease revenue and revenue refunding bonds (\$31.9 million in principal payment, \$6.5 million decrease in bond

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2020

premiums amortized, and \$0.4 million in accreted interest). In addition, the transition of the Colma Creek Flood Control District resulted in \$18.3 million decrease in revenue refunding bonds; \$49.3 million increased from the issuance of the 2019 Series A Lease Revenue Bonds (\$45.2 million in par value and \$4.1 million in bond premium).

**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 23-25 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, 2020

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 26-29 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 30-33 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 34-35 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, 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. On January 1, 2020, the Colma Creek Flood Control District transitioned out of the County's reporting entity pursuant to Assembly Bill No. 825, see Note 17 of the financial statements for more details.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2020

**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 36-98 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:

	<b>County's Net Position (In Thousands)</b>							
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2020	2019	2020	2019	2020	2019	Amount	Percentage
Current and other assets	\$ 2,559,132	\$ 2,285,457	\$ 371,556	\$ 299,746	\$ 2,930,688	\$ 2,585,203	\$ 345,485	13%
Capital assets	1,139,415	1,091,245	81,478	82,845	1,220,893	1,174,090	46,803	4%
Total assets	<u>3,698,547</u>	<u>3,376,702</u>	<u>453,034</u>	<u>382,591</u>	<u>4,151,581</u>	<u>3,759,293</u>	<u>392,288</u>	10%
Deferred outflows of resources	446,849	393,503	86,233	67,505	533,082	461,008	72,074	16%
Long-term liabilities	705,331	737,160	21,304	14,715	726,635	751,875	(25,240)	-3%
Net pension liability	464,079	370,488	117,935	90,968	582,014	461,456	120,558	26%
Net OPEB liability	76,390	81,604	16,902	18,460	93,292	100,064	(6,772)	-7%
Other liabilities	323,157	253,481	254,638	217,971	577,795	471,452	106,343	23%
Total liabilities	<u>1,568,957</u>	<u>1,442,733</u>	<u>410,779</u>	<u>342,114</u>	<u>1,979,736</u>	<u>1,784,847</u>	<u>194,889</u>	11%
Deferred inflows of resources	34,103	39,528	7,222	8,758	41,325	48,286	(6,961)	-14%
Net position:								
Net investment in capital assets	779,091	706,423	79,271	80,568	858,362	786,991	71,371	9%
Restricted	319,639	323,023	1,518	1,782	321,157	324,805	(3,648)	-1%
Unrestricted	1,443,606	1,258,498	40,477	16,874	1,484,083	1,275,372	208,711	16%
Total net position	<u>\$ 2,542,336</u>	<u>\$ 2,287,944</u>	<u>\$ 121,266</u>	<u>\$ 99,224</u>	<u>\$ 2,663,602</u>	<u>\$ 2,387,168</u>	<u>\$ 276,434</u>	11.6%

**Analysis of Net Position.** The County's net position increased \$276.4 million, or 12%, to \$2.7 billion at June 30, 2020.

**Governmental Activities** increased the County's net position by \$254.4 million, or 11% to \$2.5 billion.

**Total assets** increased \$321.8 million, or 10%, to \$3.7 billion. The significant changes in assets occurred in the following areas:

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2020

- *Cash and investments* increased by \$288.2 million. This increase was due to increase in property tax, charges for services, investments, and miscellaneous revenues.
- *Receivables and loan receivable* increased \$19.7 million primarily due to \$15.4 million increase in net mortgage receivable (\$11.8 million from Measure A and \$3.5 million from Affordable Housing Funds), and \$4.3 million increase in accounts receivable and other receivable.
- *Due from other governmental agencies* decreased by \$27.9 million primarily due to \$21.5 million decrease in Medi-Cal revenue from reduced funding due to shelter in place order, \$2.7 decrease from Mental Health Services Act (MHSA) program revenues, and \$2.2 million decrease from discontinuance of Children's Health Insurance Program (CHIP).
- *Capital assets* increased by \$48.2 million. The significant changes occurred in the following areas:
  - \$77.3 million net increase in structure and improvements resulted from \$8.3 million increase related to the construction of the Shooting Range Phase II, \$52 million for the Regional Operations Center, \$25 million for the Animal Care Shelter, \$9.3 million for Skylonda Fire Station, offset by \$19.2 million decrease from current year's depreciation expense.
  - \$3.1 million increase from donation of Tunitas Creek Beach, \$1.7 million increase from purchase of land at Scenic Drive, offset by \$0.8 million decrease in land and easement from transition of the Colma Creek Flood Control District per Assembly Bill No. 825 (see Note 17 to the financial statements).
  - \$1.8 million net increase in software from completion of the Business Intelligence and Data Analytics Project and current year's depreciation expense.
  - \$1.6 million net increase in equipment purchases to meet County-wide operating needs and depreciation.
  - \$20.7 million decrease in infrastructure primarily from transition of the Colma Creek Flood Control District per Assembly Bill No. 825 (see Note 17 to the financial statements).
  - \$15.8 million decrease in construction in progress mainly due to transfer of completed projects to structure and improvements.

**Total liabilities** increased \$126.2 million, or 9% to \$1.6 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* increased \$93.6 million or 25% to \$464.1 million. This reflects increased pension expenses due to results of an actuarial analysis performed under the provisions of GASB Statement No. 68.
- *Net OPEB liability* decreased \$5.2 million or 6% to \$76.4 million. This decrease is a reflection of progressive contributions as actuarially determined amount required to provide retiree health care benefits to the retired members.
- *Long-term liabilities* decreased by \$56.9 million to \$570.2 million. The decrease was mainly from normal debt payments made on the lease revenue and revenue refunding bonds (\$31.9 million in principal payment, \$6.5 million decrease in bond premiums amortized, and \$0.4 million in accreted interest). In addition, the transition of the Colma Creek Flood Control District resulted in \$18.3 million decrease in revenue refunding bonds and \$49.3 million increase from the issuance of the 2019 Series A Lease Revenue Bonds (\$45.2 million in par value and \$4.1 million in bond premium).
- *Compensated absences* increased by \$22.3 million to \$71.2 million. The increase was a reflection of essential workers accrued hours during the current public health emergency for continuation of work. In addition, \$14

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2020

million of the increase was due to the temporary lift of maximum accrual vacation hours for essential employees through December 31, 2021.

- *Due to governmental agencies* decreased \$22.0 million to \$39.6 million. The decrease was due to less Intergovernmental Transfer (IGT) supplemental claims in the current fiscal year to the State.
- *Unearned revenues* increased \$78.1 million to \$146.9 million. The increase was related to unspent COVID-19 funds received from Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Federal Emergency Management Agency (FEMA).
- *Other liabilities* increased \$16.3 million to \$200.4 million. The increase was mainly due to \$8.2 million increase in accounts payable related to COVID-19 year-end purchases, offset by \$0.6 million decrease in interest payable, and other long-term obligations; \$5.8 million increase in accrued salaries and benefits due to increases in work hours for essential employees and number of days accrued in FY 2019-20 compared to FY 2018-19, and \$2.9 million increase in estimated claims from personal injury protection insurance and workers' compensation insurance.

**Business-type Activities** increased the County's net position by \$22 million, or 22% to \$121 million.

Total assets increased \$70.4 million, or 18%, to \$453 million. The increase was primarily caused by the following:

- The *Medical Center's total assets* increased \$62.2 million. The significant changes are discussed below:
  - \$11.2 million increase in cash and cash equivalents due to increased payments from Federal programs.
  - \$32.1 million increase in due from other governmental agencies as a result of rate changes in settlements with the California Department of Health Care Services (DHCS).
  - \$8.9 million increase in CARES Act funding to reimburse the Medical Center for expenses incurred combatting the COVID-19 pandemic in FY 2019-20.
- The *Housing Authority's total assets* increased \$10.4 million primarily due to increase in loans receivable for housing development.

Total liabilities increased \$68.7 million, or 20%, to \$410.8 million. The increase was primarily due to the following:

- The *Medical Center's total liabilities* increased \$68.7 million. The significant changes are discussed below:
  - Increase of \$20.9 million in accounts payable, other liabilities and accrued salaries and benefits mainly due to the timing of payment to vendors, employees and contractors.
  - Increase of \$15.3 million in due to other governmental agencies pertaining mainly to accruals for future intergovernmental transfer (IGT) payments.
  - Increase of \$6.3 million in accrued compensated absences was a reflection of essential workers accrued hours during the current public health emergency for continuation of work.
  - Increase of \$26.7 million in net pension liabilities primarily due to demographic assumption changes, claims and premium rate experience, and demographic experience.
  - Decrease of \$1.4 million in net OPEB liabilities is a reflection of progressive contributions as actuarially determined amount required to provide retiree health care benefits to the retired members.
- *Housing Authority's total liabilities* increased \$0.5 million due to unearned revenue from HUD.

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The Medical Center's net position increased \$12 million, or 82%, to \$26.7 million. See explanations on page 13.

The Housing Authority's net position increased \$9.7 million, or 22%, to \$53.7 million. See explanations on page 13. Airports and Coyote Point Marina's net position increased \$0.5 million and \$0.1 million, respectively.

The County's total net position increased by \$276.4 million, or 12%, to \$2.7 billion as of June 30, 2020. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

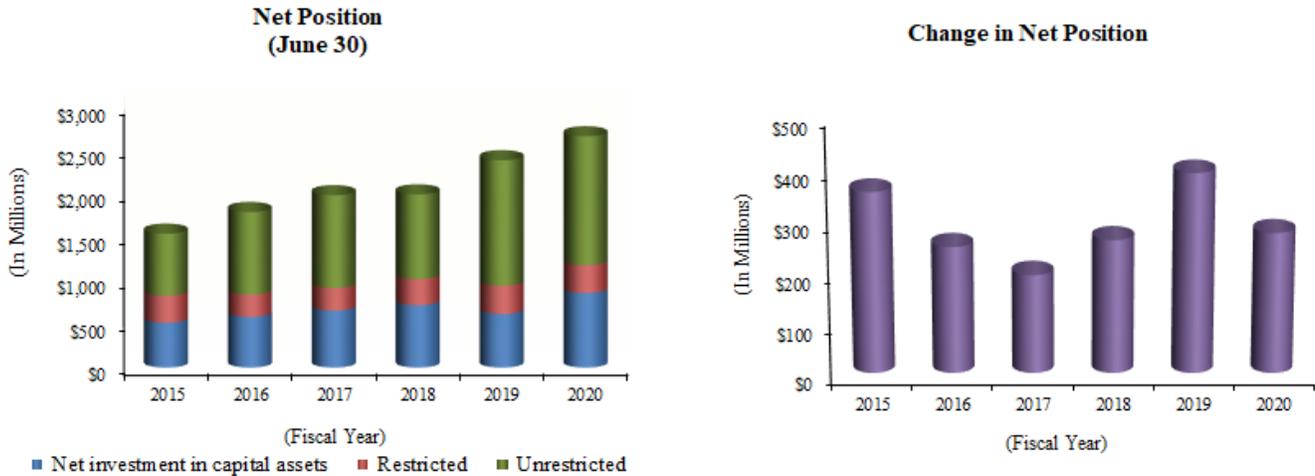
- 32%, or \$858.3 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These 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.
- 12%, or \$321.2 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.
- 56%, or \$1,484.1 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)	
	2020	2019	2020	2019	2020	2019	Amount	Percentage
<b>Revenues:</b>								
Program revenues:								
Charges for services	\$ 206,643	\$ 195,377	\$ 463,913	\$ 392,226	\$ 670,556	\$ 587,603	\$ 82,953	14%
Operating grants and contributions	568,353	594,396	20,339	71	588,692	594,467	(5,775)	-1%
Capital grants and contributions	-	-	4,585	5,007	4,585	5,007	(422)	-8%
Total program revenues	774,996	789,773	488,837	397,304	1,263,833	1,187,077	76,756	6%
General revenues:								
Property taxes	691,462	649,342	-	-	691,462	649,342	42,120	6%
Other taxes	142,787	153,101	-	-	142,787	153,101	(10,314)	-7%
Unrestricted interest and investment earnings	78,726	58,417	1,784	2,448	80,510	60,865	19,645	32%
Miscellaneous	60,531	45,228	1,869	2,649	62,400	47,877	14,523	30%
Total general revenues	973,506	906,088	3,653	5,097	977,159	911,185	65,974	7%
Total revenues	1,748,502	1,695,861	492,490	402,401	2,240,992	2,098,262	142,730	7%
<b>Expenses:</b>								
Program expenses:								
General government	238,847	149,837	-	-	238,847	149,837	89,010	59%
Public protection	477,616	423,996	-	-	477,616	423,996	53,620	13%
Public ways and facilities	27,706	23,731	-	-	27,706	23,731	3,975	17%
Health and sanitation	386,005	376,472	-	-	386,005	376,472	9,533	3%
Public assistance	230,967	255,556	-	-	230,967	255,556	(24,589)	-10%
Recreation	22,676	16,839	-	-	22,676	16,839	5,837	35%
Interest on long-term liabilities	22,817	22,098	-	-	22,817	22,098	719	3%
San Mateo Medical Center	-	-	403,981	335,511	403,981	335,511	68,470	20%
Airports	-	-	5,004	4,737	5,004	4,737	267	6%
Coyote Point Marina	-	-	1,466	1,306	1,466	1,306	160	12%
Housing Authority	-	-	108,385	95,526	108,385	95,526	12,859	13%
Total expenses	1,406,634	1,268,529	518,836	437,080	1,925,470	1,705,609	219,861	13%
Excess (deficiency) before special item and transfers	341,868	427,332	(26,346)	(34,679)	315,522	392,653	(77,131)	-20%
Special item	(39,088)	-	-	-	(39,088)	-	(39,088)	100%
Transfers	(48,388)	(47,783)	48,388	47,783	-	-	-	
<b>Change in net position</b>	254,392	379,549	22,042	13,104	276,434	392,653	(116,219)	-30%
Net position - beginning	2,287,944	1,908,395	99,224	86,120	2,387,168	1,994,515	392,653	20%
Net position - ending	\$ 2,542,336	\$ 2,287,944	\$ 121,266	\$ 99,224	\$ 2,663,602	\$ 2,387,168	\$ 276,434	12%

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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 based on current year activities (excluding prior period adjustments and cumulative effect of accounting change) 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 \$254.4 million to \$2.5 billion for the fiscal year ended June 30, 2020. This was predominantly from increases in property taxes, charges for services, interest and investment, and miscellaneous revenues.

**Analysis of Governmental Activities - Revenues**

**Program Revenues** accounted for 44.3% of the County's overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues decreased \$14.8 million, or 2%, from the prior year. The significant changes included the following:

- *Charges for services* increased \$11.3 million, or 6%, to \$206.6 million primarily from \$14 million increase from reclassification of San Carlos Law Enforcement Services revenue from intergovernmental revenue to charges for services, offset by \$2.3 million decrease in fleet replacement fees.
- *Operating grants and contributions* decreased \$26 million, or 4%, to \$568.4 million. The decrease was primarily due to the decrease in Intergovernmental Transfer (IGT) supplemental payments received for unreimbursed medical services from the State and \$14 million decrease from reclassification of San Carlos Law Enforcement Services revenue from intergovernmental revenue to charges for services.

**General Revenues** increased \$67.4 million, or 7%, from the prior year. General revenues accounted for 54.3% of the County's overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* increased \$42 million, or 6%, to \$691.5 million. The significant changes included the following:
  - \$17 million or 7% increase in secured tax which is consistent with the increase to the County-wide local secured assessment roll.
  - \$10 million increase in Excess Tax Losses Reserve due to transfer of funds from the Teeter Reserves to the County General Fund.

**COUNTY OF SAN MATEO**  
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- \$10 million increase in Excess Tax Losses Reserve due to transfer of funds from the Teeter Reserves to the County General Fund.
- \$2 million increase in residual from the Redevelopment Property Tax Trust Fund (RPTTF). South San Francisco RPTTF residual increased by \$14 million in FY 2019-20 in large part due to a \$9 million decrease in the RPTTF's obligations. The County share of the \$14 million increase is 15% or \$2 million.
- \$8 million increase to the in-lieu of vehicle license fee (VLF) revenue due to \$8 million increase over prior year, which is consistent with the 7% growth in the County-wide local combined assessment growth.
- \$4 million increase in passthrough payments is primarily due to the 7% increase in RPTTF revenues.
- *Other Tax Revenues* decreased \$10.3 million, or 7%, to \$142.8 million primarily due to \$5.8 million decrease in Measure K sales tax revenue, and \$4.5 million decrease in Public Safety (Prop. 172) half-cent sales tax due to shelter in place order in response to COVID-19.
- *Unrestricted Interest and Investment Earnings* increased \$20.3 million, or 35%, primarily due to increase in cash on hand and this increased earnings on investments.
- *Miscellaneous Revenues* increased \$15.3 million, or 34%, due primarily to \$7.4 million revenue from City of San Mateo for granting the conveyance of property rights in support of the City's Underground Flow Equalization System Project (UFES).

**Analysis of Governmental Activities – Expenses**

Expenses for *General government* increased by \$89.0 million, or 59%. This increase was mainly due to \$67 million of COVID-19 related expenses; \$5.2 million increase due to premium increases from benefits plan providers, and \$1.4 million increase in payments to County leased facilities.

Expenses for *Public protection* increased by \$53.6 million, or 13%. The increase was due to \$39.1 million increase in pension related expenses, \$7.6 million increase from the distribution of Prop 172 Public Safety Sales tax for one time projects in FY 2019-20, \$4.0 million increase from salaries and benefits, \$3.8 million increase from payment to CalFire for fire protection services, and \$2.1 million increase from Trial Court security disbursement costs.

Expenses for *Public ways and facilities* increased by \$3.9 million or 17%. The increase is primarily due to repair and maintenance of road infrastructure during the fiscal year.

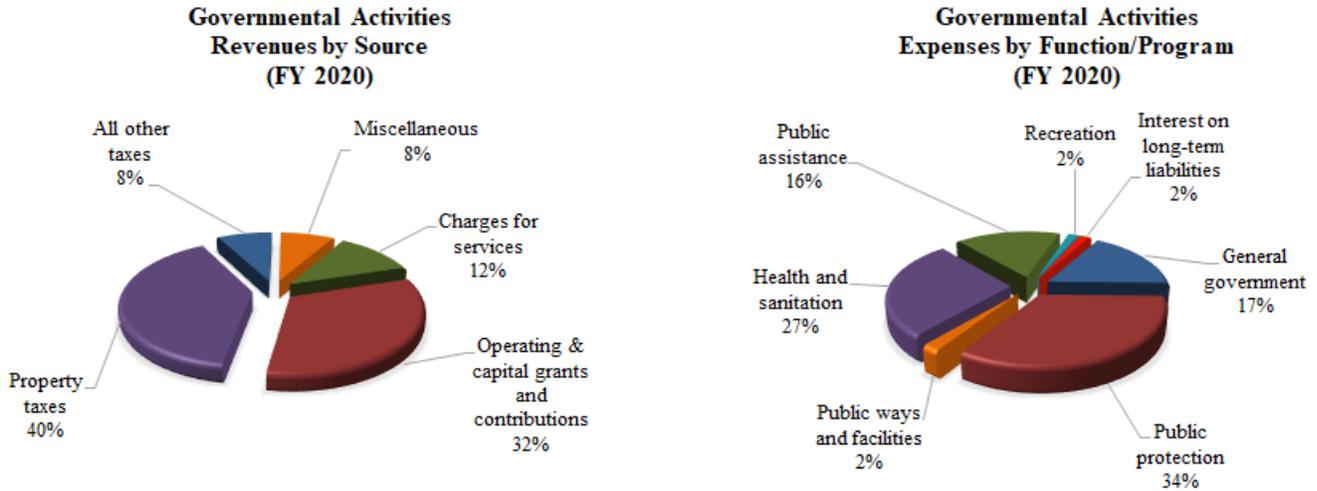
Expenses for *Health and sanitation* increased by \$9.5 million, or 3%. The increase was due to \$8 million increase in expenditures associated with the 1991 realignment supported programs, \$2.5 million increase from the Mental Health Services Act (MHSA), offset by \$1 million decrease from reduced trauma claims and hospital distributions and reduced transfer to the operating budget.

Expenses for *Public assistance* decreased by \$24.6 million, or 10%. The decrease is primarily due to one-time credit of Medi-Cal Supplemental Security Income and State Supplemental Payment expenses of \$45 million offset by \$17 million increase from increased Housing Assistance Payments (HAP), and \$3.4 million increase from In-Home Supportive Services Maintenance of Effort (IHSS MOE) expenses.

Expenses for *Recreation* increased \$5.8 million, or 35%. The increase is primarily due to repair and maintenance expenses of the Memorial Park Replacement Waste Water Treatment Plant and Collection System.

**COUNTY OF SAN MATEO**  
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For the fiscal year ended June 30, 2020, 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 \$22 million to \$121.3 million. This was mainly from \$12 million increase from the Medical Center, \$9.7 million increase from the Housing Authority, \$0.5 million increase from the Airports, \$0.1 million increase from Coyote Point.

**Analysis of Business-type Activities – Revenues and Expenses**

**Medical Center.** The net position of Medical Center increased \$12 million, or 81.5%, to \$26.7 million.

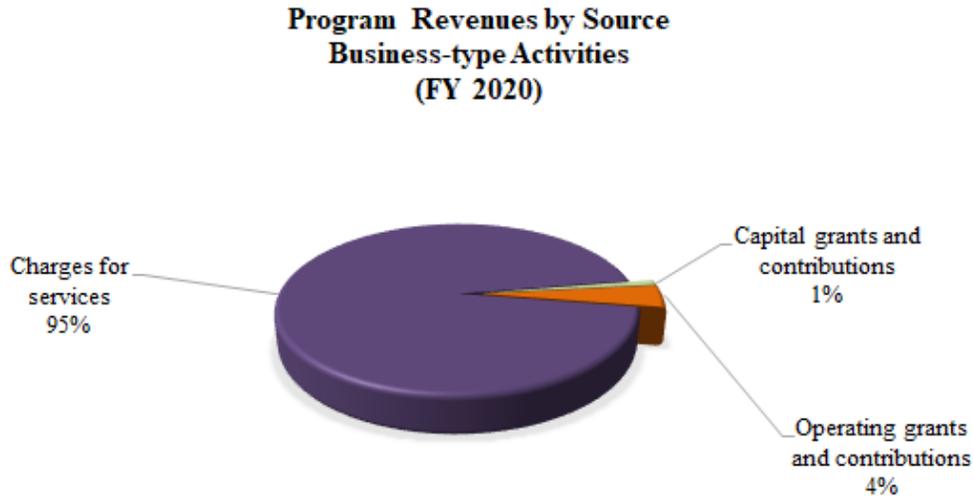
The Medical Center’s net operating loss decreased \$18.8 million, or 44%, to \$61.6 million. The significant changes included the following:

- \$16.9 million increase in net patient service revenue due to change in reporting methods for the revenue related to the patients located in the offsite skilled nursing unit.
- \$4.5 million increase in premium revenues due primarily to the legislation changes in the Federal Medicaid Managed Care.
- \$17.6 million increase in other program revenue due to increased realignment revenues in FY 2019-20.
- \$13.3 million increase in salaries and benefits as a result of an increase in the cost of salaries and benefits due to union contract renegotiations, and additional staffing needs in response to the COVID-19 pandemic.
- \$15.1 million in pension and OPEB expenses due to the results of an actuarial analysis performed under the provisions of GASB Statement Nos. 68 and 75.
- \$27.9 million increase in contract provider services due to inclusion of the Brius management fee in the financial statements in FY 2019-20.

**Housing Authority.** The net position of the Housing Authority increased \$9.7 million, or 22%, to \$53.7 million. The increase was primarily due to increase in HUD subsidies and grants and CARES Act revenue.

**COUNTY OF SAN MATEO**  
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Program revenues for business-type activities are distributed as follows:



### 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, 2020, the County’s governmental funds reported combined fund balances of \$1.9 billion at year-end, an increase of \$190 million, or 10.9%, compared to the prior fiscal year. Approximately 72% of the combined amount, or \$1.4 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$543 million is nonspendable and restricted, including \$53.6 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$489.5 million restricted for specific purposes.

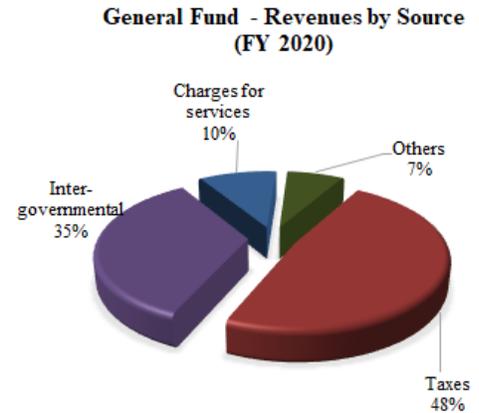
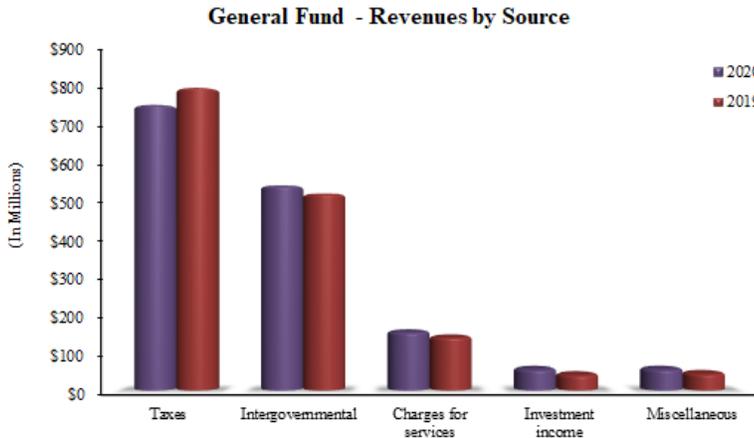
The *General Fund* is the primary operating fund of the County. At June 30, 2020, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$1.2 billion with total fund balance at \$1.4 billion. As a measure of liquidity, total unrestricted fund balance as well as total fund balance can be compared to total fund expenditures. Total unrestricted fund balance represents 101% of total fund expenditures, and total fund balance represents 116% of total fund expenditures. The overall fund balance in the General Fund has increased \$182.6 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, 2020 and 2019, revenues for the General Fund are distributed as follows:

**General Fund - Revenues by Source**  
**(In Thousands)**

Revenues by Source	FY 2020		FY 2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 765,582	48%	\$ 811,317	52%	\$ (45,735)	-6%
Licenses and permits	7,233	0%	7,642	0%	(409)	-5%
Intergovernmental	548,823	34%	526,987	34%	21,836	4%
Charges for services	157,201	10%	143,319	9%	13,882	10%
Fines, forfeitures, and penalties	8,278	1%	9,620	1%	(1,342)	-14%
Rents and concessions	1,862	0%	1,445	0%	417	29%
Investment income	57,283	4%	42,591	3%	14,692	34%
Other	40,158	3%	27,191	2%	12,967	48%
<b>Total</b>	<b>\$1,586,420</b>	<b>100%</b>	<b>\$1,570,112</b>	<b>100%</b>	<b>\$ 16,308</b>	<b>1%</b>



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

*Taxes* decreased by \$45.7 million, or 6%. The decrease was due to \$45 million one-time additional Excess ERAF deposited in FY 2018-19 based on the County's revised distribution schedule.

*Intergovernmental* revenue increased by \$21.8 million or 4%. The increase was due to higher reimbursement receipts in FY 2019-20 to pay for escalating Medi-Cal administrative costs and rising operating costs.

*Charges for services* increased by \$14 million, or 10%. See explanations on page 11.

*Investment income* increased by \$14.7 million, or 34%. See explanations on page 12.

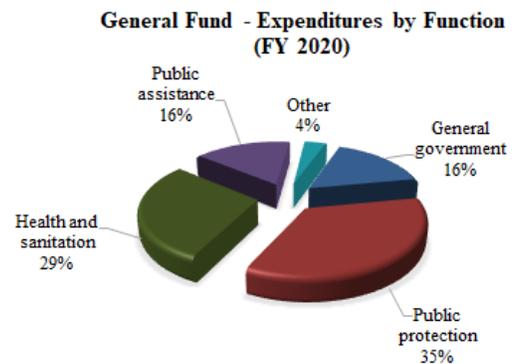
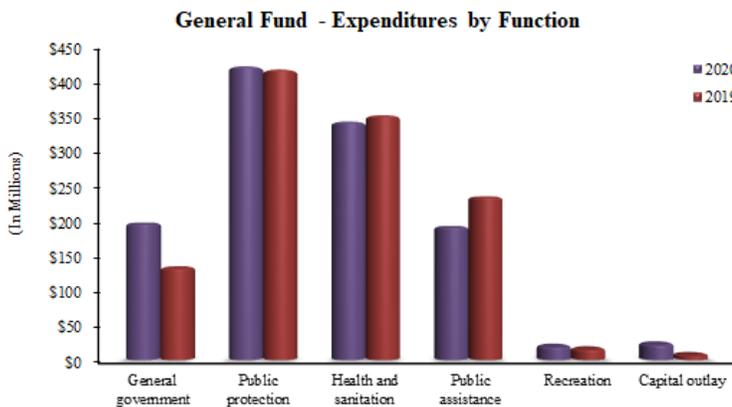
*Other revenue* increased by \$13 million, or 48%. See explanations on page 12

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For the fiscal years ended June 30, 2020 and 2019, expenditures for the General Fund are distributed as follows:

**General Fund - Expenditures by Function**  
 (In Thousands)

Expenditures by Function	FY 2020		FY 2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 200,881	17%	\$ 135,555	11%	\$ 65,326	48%
Public protection	431,085	35%	426,428	36%	4,657	1%
Health and sanitation	349,875	29%	359,136	30%	(9,261)	-3%
Public assistance	195,776	16%	239,666	20%	(43,890)	-18%
Recreation	20,023	2%	16,100	1%	3,923	24%
Capital outlay	23,528	2%	7,455	1%	16,073	216%
<b>Total</b>	<b>\$ 1,221,168</b>	<b>100%</b>	<b>\$ 1,184,340</b>	<b>100%</b>	<b>\$ 36,828</b>	<b>3%</b>



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

Expenditures for *General Government* increased by \$65 million, or 48%. See explanations on page 12.

Expenditures for *Public Protection* increased by \$4.7 million, or 1%. See explanations on page 12.

Expenditures for *Health and Sanitation* decreased by \$9 million, or 3%. The decrease of \$1.4 million was due to decrease in expenditures of Edgewood Center Short-Term Adjunctive Youth and Family Engagement (SAYFE) Program due to shelter in place order, \$2.7 million decrease from discontinuance of Children’s Health Insurance Program (CHIP), and \$3.7 million decrease from Medi-Cal Administrative Activities (MAA) program.

Expenditures for *Public Assistance* decreased by \$43.9 million, or 18%. See explanations on page 12.

Expenditures for *Recreation* increased by \$3.9 million, or 24%. See explanations on page 12.

*Capital Outlay* increased by \$16 million, or 216%. The increase was primarily due to \$8.3 million increase in structure and improvements related to the Shooting Range Phase II, \$1.7 million increase for the purchase of land located at Scenic Drive, and \$1.2 million increase in software expenditures.

**Joint Powers Financing Authority** is a major governmental fund. During FY 2019-20, JPFA’s fund balance decreased \$31.7 million to \$209 million. The decrease resulted from scheduled principal and interest payments of long-term debt. In addition, \$26.9 million in expenditures were spent on the San Mateo County Health Campus Upgrade, and County Office Building No. 3 projects.

**Nonmajor governmental funds** experienced a \$39.2 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 decreased \$16.5 million to \$118.2 million. The significant changes occurred in the following funds:

- The Road Fund reported a \$5.1 million increase in fund balance primarily due to \$4.5 million 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 \$28.6 million decrease in fund balance primarily from transition of the Colma Creek Flood Control District to another reporting entity per Assembly Bill No. 825 (see note 17 to the financial statements).
- The Sewer and Sanitation Fund reported a \$2.7 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 Lighting Districts.
- The County Half-Cent Transportation Fund reported a \$2.2 million increase in fund balance primarily due to increases in Measure W, a half-cent sales tax to fund road improvements, transit services, and implement San Mateo County Congestion Relief Plan.

*Debt Service Fund.* The overall fund balance for debt service funds increased \$1.8 million to \$31.7 million. This increase is mainly due to the transfer in from various funds to pay for debt service.

*Capital Projects Fund.* The overall fund balance for capital project funds increased \$53.9 million to \$153.1 million. This increase is mainly from \$45 million transfer from the Human Services Agency to the Accumulated Capital Outlay Fund as lump-sum payment for the department's share of the County Office Building No. 3 costs.

**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 \$22 million, with increased of \$21.7 million from major enterprise funds (\$12 million increase from Medical Center, and \$9.7 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 \$85.5 million, or 3.9%, for the fiscal year ended June 30, 2020. 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 2019-20, the General Fund realized a total of \$85.5 million unanticipated revenues primarily from the following:

- \$68.7 million from Federal Emergency Management Agency and Coronavirus Aid, Relief, and Economic Security Act in response to the novel Coronavirus.
- \$3.1 million from Measure K (half-cent sales tax) for San Mateo County Strong Fund, a COVID-19 recovery fund.
- \$3 million from Peninsula Health Care District to assist with the County's response to COVID-19.

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- \$1.9 million from the transition of the Enhanced Flood Program to the San Mateo County Flood and Sea Level Rise Resiliency District.
- \$1.4 million from Real Property exchange with City of Redwood City.
- \$1.3 million from EMS SAFR Grant for local development and implementation of secure data sharing.
- \$1.0 million from Edward Bruyne Memorial JAG (Grant) for FY 2019-20.
- \$0.9 million from Urban Areas Security Initiative grant to provide resources for Sheriff Department.
- \$4.2 million from other sources for various purposes.

Actual General Fund revenues were below budgeted by \$82.4 million, or 5%. Revenues from intergovernmental agencies were below anticipated projections by \$50 million, while other financing sources were \$2 million above. Actual tax revenues were higher than the total budgeted by \$37.3 million primarily due 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 \$72 million lower than expected, primarily from \$21.8 million increase in use of money and property, \$7.4 million increase from City of San Mateo for granting the conveyance of property rights in support of the City's Underground Flow Equalization System Project (UFES), \$11.2 million decrease in charges for services from reclassification of expenses, and \$87.5 million decrease in interfund revenues mainly from the elimination of interfund revenue between governmental funds.

Actual General Fund expenditures were below budgeted by \$741 million, or 32.9%. The unspent appropriations can be found in the following areas:

- \$304.1 million unspent appropriations in contingencies resulted from cognizant long-term financial planning.
- \$70.6 million unspent appropriations in other financing uses due primarily to major capital projects funded by Non-Departmental Services and Measure K either not yet started or completed, including San Mateo Medical Center, Parking Structure 2, Middlefield Road Project, Pescadero Fire Station, and County Office Building 3.
- \$193.9 million unspent appropriations in services and supplies due primarily to delays in one-time and on-going projects caused by COVID-19 pandemic, including County-wide Measure K Parks projects department specific information technology (IT) projects such as County-wide Assessors Property Tax system
- \$105.1 million unspent appropriations in salaries and benefits due primarily to savings from unfilled positions, a County-wide hiring freeze, in addition to an unspent \$27.6 million in additional pension contribution that was originally budgeted.
- \$103.7 million unspent appropriations in other charges due primarily to for Housing project contributions and carryforward Measure K appropriations for District Specific and Big Lift and service charges not expended due to COVID-19 pandemic.
- \$26.2 million unspent appropriations in capital assets due for IT purchases not yet made, in addition to 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 \$62.6 million.

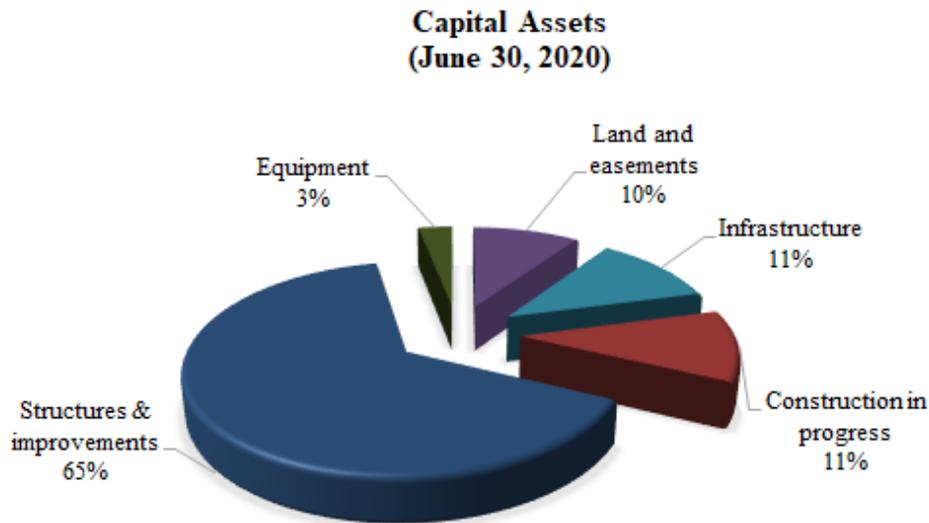
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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The County’s investment in capital assets increased \$46.8 million, or 4%, to \$1,221 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, 2020 and 2019, are comprised of the following:

	<b>Capital Assets</b>							
	<b>Net of Accumulated Depreciation</b>							
	<b>(In Thousands)</b>							
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2020	2019	2020	2019	2020	2019	Amount	Percentage
Land and easements	\$ 101,587	\$ 97,595	\$ 14,247	\$ 14,247	\$ 115,834	\$ 111,842	\$ 3,992	4%
Infrastructure	137,352	158,074	-	-	137,352	158,074	(20,722)	-13%
Construction in progress	129,323	145,156	7,494	6,794	136,817	151,950	(15,133)	-10%
Structures and improvements	740,536	663,230	47,385	48,153	787,921	711,383	76,538	11%
Equipment	25,862	24,185	11,261	12,342	37,123	36,527	596	2%
Software	4,755	3,005	1,091	1,309	5,846	4,314	1,532	36%
Total	<u>\$ 1,139,415</u>	<u>\$ 1,091,245</u>	<u>\$ 81,478</u>	<u>\$ 82,845</u>	<u>\$ 1,220,893</u>	<u>\$ 1,174,090</u>	<u>\$ 46,803</u>	4%

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. Information on the County’s infrastructure assets reported under the modified approach can be found in the Required Supplementary Information on page 99.*

Major events related to capital assets included the following:

- *Construction in Progress projects:*
  - *San Mateo County Health Campus Upgrade.* This project will occur in multiple phases. (1) Demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Wing 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. The total cost incurred during FY 2019-20 is \$19.4 million.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2020

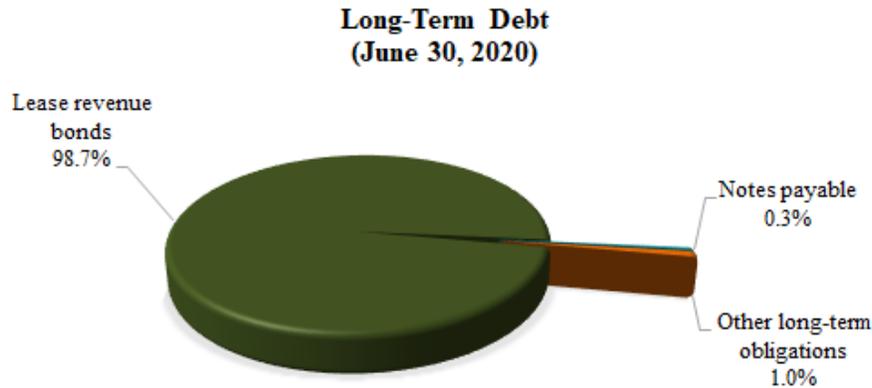
- *County Office Building 3.* County Office Building 3 (COB3) will be an elevated structure, contain four levels of offices and shared amenities. The ground level will consist of outdoor public space with a multi-function board chambers for public meetings and events. The total cost incurred during FY 2019-20 is \$7.5 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. 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 July 2021. The total cost incurred during FY 2019-20 is \$16.9 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. The estimated project cost is \$155 million. The total cost incurred during FY 2019-20 is \$4 million.

**Long-Term Debt.** The County’s total debt decreased \$56.9 million, or 9%, to \$578.0 million as of June 30, 2020. The decrease is mainly caused by the paying the scheduled retirement of outstanding debts. As indicated in the table below, the County’s total debt is primarily comprised of \$570.2 million in lease revenue bonds, \$2.2 million in notes payable, and \$5.6 million in other long-term obligations.

**Long-Term Debt**  
**(In Thousands)**

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2020	2019	2020	2019	2020	2019	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 570,202	\$ 627,098	\$ -	\$ -	\$ 570,202	\$ 627,098	\$ (56,896)	-9%
Notes payable	-	-	2,207	2,277	2,207	2,277	(70)	-3%
Other long-term obligations	4,249	4,397	1,337	1,138	5,586	5,535	51	1%
<b>Total</b>	<b>\$ 574,451</b>	<b>\$ 631,495</b>	<b>\$ 3,544</b>	<b>\$ 3,415</b>	<b>\$ 577,995</b>	<b>\$ 634,910</b>	<b>\$ (56,915)</b>	<b>-9%</b>

The County’s debts as of June 30, 2020, are distributed as follows:



Additional information on the County’s long-term debt can be found in Note 10 on pages 68-72 of this report.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2020

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

- *Forward Refunding of 2019 Series A Lease Revenue Bonds.* In October 2019, the Authority issued 2019 Series A Lease Revenue Bonds (Forward Refunding) (the "2019A Bonds") 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 2019A Bonds totaling \$49.3 million were used to refund the outstanding 2009 Bonds and pay costs of issuance. In July 2020, the Authority paid its scheduled outstanding principal amount of \$7.2 million plus interest to fully retire the 2009 Bonds.
- *Scheduled Retirement of Outstanding Debt.* Apart from the above refunding, the County retired a total of \$31.9 million in principal payment, \$6.5 million decrease in bond premiums amortized, and \$0.4 million in accreted interest in outstanding lease revenue bonds, and revenue refunding bonds including amortization of premiums and discounts, based on the debt service payment schedules.
- *Transition of Colma Creek Flood Control District.* On January 1, 2020, Assembly Bill No. 825 became effective. \$18.2 million of revenue refunding bonds of the Colma Creek Flood Control District was transferred to the San Mateo County Flood and Sea Level Rise Resiliency District. Additional information on the District can be found on Note 17 on page 98 of this report.

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 2019-20 was \$115.1 million. The amount applicable to the debt service limit was \$49.2 million, which was \$65.9 million, or 57.3%, less than authorized.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The County's economy has begun to see changes as a result of the pandemic and continues to see ongoing uncertainty into this next fiscal year. The following economic factors were considered in the preparation of the County's final budget for FY 2020-21.

- As of June 2020, the unemployment rate in San Mateo County was 10.8%, although the rate fell to 7.1% in September 2020.
- With the close of the FY 2019-20 assessment rolls, net secured property (real property) value was assessed at an increase of 7.4% from FY 2018-19.
- Commercial rents continued to climb in FY 2019-20, although there is not a lot of anticipated movement over the course of the next year as a result of the pandemic. The average asking rent price for office space was \$5.60 per square foot in the second quarter of 2020, an increase of 6.7% over second quarter of 2019; however, prices have appeared to have peaked and are anticipated to decline.
- Due to the pandemic and ongoing business restrictions, the County's taxable sales are predicted to decline significantly. In addition, airport passenger traffic, which contribute to the sales tax in unincorporated areas, was down 30% for FY 2019-20 as compared to FY 2018-19. The County projected a 20% reduction in sales tax, a 20% reduction in Measure K Half Cent Sales Tax and a 25% reduction in Public Safety Sales Tax in FY 2019-20.

In October 2020, the County Board adopted the final budget of \$3.7 billion for FY 2020-21.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2020

**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, 4<sup>th</sup> 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, 2020**  
**(In Thousands)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2019)
<b>ASSETS</b>					
Cash and investments	\$ 2,058,842	\$ 46,344	\$ 2,105,186	\$ 12,324	\$ 421,828
Restricted cash and investments	58,208	2,241	60,449	-	300
Receivables (net)	226,637	29,225	255,862	1,156	29,091
Due from other governmental agencies	192,787	254,790	447,577	-	79,039
Inventories	417	3,235	3,652	-	-
Prepays and other assets	19,852	8,342	28,194	-	8,834
Internal balances	(5,067)	5,067	-	-	-
Notes/Loans receivable	7,456	22,312	29,768	-	-
Net pension asset	-	-	-	-	989
Capital assets:					
Nondepreciable	325,916	21,741	347,657	-	15,668
Depreciable, net	813,499	59,737	873,236	-	51,800
Total assets	<u>3,698,547</u>	<u>453,034</u>	<u>4,151,581</u>	<u>13,480</u>	<u>607,549</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized losses on refunding debts	12,559	-	12,559	-	-
Pension-related items	403,067	79,583	482,650	597	1,305
OPEB-related items	31,223	6,650	37,873	123	-
Total deferred outflows of resources	<u>446,849</u>	<u>86,233</u>	<u>533,082</u>	<u>720</u>	<u>1,305</u>
<b>LIABILITIES</b>					
Accounts payable	91,293	44,458	135,751	1,563	4,324
Payable from restricted cash and investments	-	250	250	-	-
Accrued interest payable	8,924	93	9,017	-	-
Accrued salaries and benefits	35,744	9,399	45,143	66	-
Accrued liabilities	547	55	602	-	155,656
Due to other governmental agencies	39,642	198,641	238,283	-	99,563
Unearned revenues	146,900	1,738	148,638	-	-
Deposits	107	4	111	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	464,079	117,935	582,014	835	-
Net OPEB liability - due beyond one year	76,390	16,902	93,292	172	-
Lease revenue bonds - due within one year	32,632	-	32,632	-	-
Lease revenue bonds - due beyond one year	537,570	-	537,570	-	-
Notes payable - due within one year	-	73	73	-	-
Notes payable - due beyond one year	-	2,134	2,134	-	-
Other long-term obligations - due within one year	151	-	151	-	-
Other long-term obligations - due beyond one year	4,098	1,337	5,435	-	-
Estimated claims - due within one year	19,943	-	19,943	-	-
Estimated claims - due beyond one year	39,709	-	39,709	-	-
Compensated absences - due within one year	34,982	10,877	45,859	39	-
Compensated absences - due beyond one year	36,246	6,883	43,129	72	-
Total liabilities	<u>1,568,957</u>	<u>410,779</u>	<u>1,979,736</u>	<u>2,747</u>	<u>259,543</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized gain on refunding debts	1,973	-	1,973	-	-
Pension-related items	120	23	143	-	1,292
OPEB-related items	32,010	7,199	39,209	59	-
Total deferred inflows of resources	<u>34,103</u>	<u>7,222</u>	<u>41,325</u>	<u>59</u>	<u>1,292</u>
<b>NET POSITION</b>					
Net investment in capital assets	779,091	79,271	858,362	-	67,468
Restricted for:					
Public assistance	124,243	1,518	125,761	-	-
Road and sanitation	117,251	-	117,251	-	-
Debt service	68,035	-	68,035	-	-
Other purposes	10,110	-	10,110	-	300
Unrestricted	1,443,606	40,477	1,484,083	11,394	280,251
Total net position	<u>\$ 2,542,336</u>	<u>\$ 121,266</u>	<u>\$ 2,663,602</u>	<u>\$ 11,394</u>	<u>\$ 348,019</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, 2020**  
**(In Thousands)**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs:</b>				
<b>Primary government</b>				
Governmental activities:				
General government	\$ 238,847	\$ 33,198	\$ 66,277	\$ -
Public protection	477,616	57,108	153,863	-
Public ways and facilities	27,706	3,804	27,645	-
Health and sanitation	386,005	102,620	153,606	-
Public assistance	230,967	6,263	166,907	-
Recreation	22,676	3,650	55	-
Interest on long-term liabilities	22,817	-	-	-
Total governmental activities	1,406,634	206,643	568,353	-
Business-type activities:				
San Mateo Medical Center	403,981	341,987	20,034	4,585
Airports	5,004	4,232	305	-
Coyote Point Marina	1,466	1,531	-	-
Housing Authority	108,385	116,163	-	-
Total business-type activities	518,836	463,913	20,339	4,585
Total primary government	\$ 1,925,470	\$ 670,556	\$ 588,692	\$ 4,585
<b>Component units:</b>				
First 5 San Mateo County	\$ 7,628	\$ -	\$ 7,258	\$ -
Health Plan of San Mateo	\$ 785,387	\$ 781,226	\$ -	\$ -
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				
Special item				
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, 2020**  
**(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, 2019)
\$ (139,372)	\$ -	\$ (139,372)		
(266,645)	-	(266,645)		
3,743	-	3,743		
(129,779)	-	(129,779)		
(57,797)	-	(57,797)		
(18,971)	-	(18,971)		
(22,817)	-	(22,817)		
<u>(631,638)</u>	<u>-</u>	<u>(631,638)</u>		
	-	(37,375)		
	-	(467)		
	-	65		
	-	7,778		
	<u>(29,999)</u>	<u>(29,999)</u>		
<u>(631,638)</u>	<u>(29,999)</u>	<u>(661,637)</u>		
			\$ (370)	
				\$ (4,161)
691,462	-	691,462	-	-
10,291	-	10,291	-	-
118,681	-	118,681	-	-
1,920	-	1,920	-	-
984	-	984	-	-
10,911	-	10,911	-	-
78,726	1,784	80,510	428	9,328
60,531	1,869	62,400	15	3,332
(39,088)	-	(39,088)	-	-
(48,388)	48,388	-	-	-
<u>886,030</u>	<u>52,041</u>	<u>938,071</u>	<u>443</u>	<u>12,660</u>
254,392	22,042	276,434	73	8,499
<u>2,287,944</u>	<u>99,224</u>	<u>2,387,168</u>	<u>11,321</u>	<u>339,520</u>
<u>\$ 2,542,336</u>	<u>\$ 121,266</u>	<u>\$ 2,663,602</u>	<u>\$ 11,394</u>	<u>\$ 348,019</u>

**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  
Special item  
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, 2020**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 1,517,476	\$ 186,701	\$ 291,817	\$ 1,995,994
Restricted cash and investments	-	26,563	31,645	58,208
Receivables (net):				
Accounts	13,093	-	280	13,373
Interest	27,602	922	1,054	29,578
Taxes	22,360	-	1,030	23,390
Mortgages	134,138	-	-	134,138
Advances	1	-	-	1
Other	24,652	-	-	24,652
Due from other funds	3,739	-	4,545	8,284
Due from other governmental agencies	185,585	-	3,147	188,732
Loan receivable	7,456	-	-	7,456
Prepaid items	14,132	643	315	15,090
Inventories	45	-	304	349
Advances to other funds	7,749	-	-	7,749
Total assets	<u>\$ 1,958,028</u>	<u>\$ 214,829</u>	<u>\$ 334,137</u>	<u>\$ 2,506,994</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 65,386	\$ 5,165	\$ 18,917	\$ 89,468
Accrued salaries and benefits	34,888	-	706	35,594
Accrued liabilities	547	-	-	547
Due to other funds	12,343	161	2,614	15,118
Due to other governmental agencies	39,618	-	24	39,642
Unearned revenues	145,794	-	893	146,687
Deposits	-	-	13	13
Advances from other funds	-	65	5,955	6,020
Total liabilities	<u>298,576</u>	<u>5,391</u>	<u>29,122</u>	<u>333,089</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	245,835	-	1,984	247,819
Total deferred inflows of resources	<u>245,835</u>	<u>-</u>	<u>1,984</u>	<u>247,819</u>
<b>FUND BALANCES</b>				
Nonspendable	52,353	643	619	53,615
Restricted	130,731	208,795	150,012	489,538
Assigned	9,334	-	153,189	162,523
Unassigned	1,221,199	-	(789)	1,220,410
Total fund balances	<u>1,413,617</u>	<u>209,438</u>	<u>303,031</u>	<u>1,926,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,958,028</u>	<u>\$ 214,829</u>	<u>\$ 334,137</u>	<u>\$ 2,506,994</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, 2020**  
**(In Thousands)**

**Fund balances - total governmental funds (page 26)** \$ 1,926,086

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.	445,353
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(33,936)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,128,207
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.	247,819
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.	21,126
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.	(8,924)
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 bonds	\$ (570,202)
Other long-term obligations	(4,249)
Compensated absences	(70,900)
Net pension liability	(462,040)
Net OPEB liability	(76,004)
	(1,183,395)

**Net position of governmental activities (page 23)** \$ 2,542,336

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, 2020**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 765,582	\$ -	\$ 39,985	\$ 805,567
Licenses and permits	7,233	-	3,724	10,957
Intergovernmental	548,823	-	53,360	602,183
Charges for services	157,201	-	27,799	185,000
Fines, forfeitures and penalties	8,278	-	1,529	9,807
Rents and concessions	1,862	-	132	1,994
Investment income	57,283	7,364	10,431	75,078
Other revenues	40,158	-	1,178	41,336
Total revenues	<u>1,586,420</u>	<u>7,364</u>	<u>138,138</u>	<u>1,731,922</u>
<b>Expenditures:</b>				
Current:				
General government	200,881	80	855	201,816
Public protection	431,085	-	4,532	435,617
Public ways and facilities	-	-	25,663	25,663
Health and sanitation	349,875	-	22,807	372,682
Public assistance	195,776	-	27,313	223,089
Recreation	20,023	-	-	20,023
Capital outlay	23,528	26,951	75,523	126,002
Debt service:				
Principal	-	31,335	828	32,163
Interest	-	25,446	890	26,336
Bond issuance costs	-	274	-	274
Bond insurance	-	43	13	56
Total expenditures	<u>1,221,168</u>	<u>84,129</u>	<u>158,424</u>	<u>1,463,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>365,252</u>	<u>(76,765)</u>	<u>(20,286)</u>	<u>268,201</u>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds	-	45,170	-	45,170
Bond premium	-	4,090	-	4,090
Payment to refunded bonds escrow agent	-	(49,993)	-	(49,993)
Transfers in	19,291	45,790	160,983	226,064
Transfers out	(201,952)	-	(72,755)	(274,707)
Total other financing sources (uses)	<u>(182,661)</u>	<u>45,057</u>	<u>88,228</u>	<u>(49,376)</u>
<b>Change in fund balances before special item</b>	<u>182,591</u>	<u>(31,708)</u>	<u>67,942</u>	<u>218,825</u>
<b>Special item:</b>				
Transfer to Flood & Sea LRR District	-	-	(28,723)	(28,723)
<b>Net change in fund balances</b>	<u>182,591</u>	<u>(31,708)</u>	<u>39,219</u>	<u>190,102</u>
Fund balances - beginning	<u>1,231,026</u>	<u>241,146</u>	<u>263,812</u>	<u>1,735,984</u>
Fund balances - end	<u>\$ 1,413,617</u>	<u>\$ 209,438</u>	<u>\$ 303,031</u>	<u>\$ 1,926,086</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, 2020**  
**(In Thousands)**

**Net change in fund balances - total governmental funds (page 28)** \$ 190,102

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	\$ 126,002	
Expenditures not subject to capitalization	(21,710)	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, and trade-ins	(1,180)	
Effect of capital assets donations	3,200	
Less current year depreciation	<u>(30,231)</u>	76,081

Transfer of the Flood Control District to the Flood & Sea Level Rise Resiliency District reported in the governmental funds and the transfer of balance sheet items that do not reflect in the current financial resources are reconciling items for of the value of the special item between the fund financial statements and the government-wide financial statements.

Transfer of net book value capital assets	(28,732)	
Transfer of revenue refunding bonds	16,135	
Transfer of bond premium	2,191	
Transfer of deferred gain on refunding	<u>41</u>	(10,365)

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 156,840

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 22,844

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. 11,215

Issuance of lease revenue bonds provide current financial resources to the governmental funds, but these obligations are reported as long-term liabilities in the government-wide financial statements. (45,170)

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. (4,090)

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:		
Refunding of the prior bonds	49,993	
Lease revenue bonds	31,335	
Revenue refunding bonds	<u>680</u>	82,008

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	6,533	
Retirement and amortization of gain/(loss) on refunding of debt	(1,046)	
Deductions of deferred gains on issuance of debt	(2,204)	
Change in accrued interest payable	908	
Addition to accretion of capital appreciation bonds	(413)	
Deduction to accretion of capital appreciation bonds	775	
Change in other long-term liabilities	148	
Change in compensated absences	<u>(22,204)</u>	(17,503)

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 (193,026)

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 (12,602)

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. (1,942)

**Change in net position of governmental activities (page 25)** \$ 254,392

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, 2020**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 18,953	\$ 22,088	\$ 5,303	\$ 46,344	\$ 62,848
Restricted cash and investments	-	2,241	-	2,241	-
Receivables (net):					
Accounts	22,039	3	39	22,081	1,260
Grant	6	-	-	6	-
Interest	2,174	96	18	2,288	245
Other	4,850	-	-	4,850	-
Due from other funds	8,937	-	8	8,945	331
Due from other governmental agencies	254,232	558	-	254,790	4,055
Inventories	3,235	-	-	3,235	68
Notes receivable	-	5	-	5	-
Prepays and other assets	4,329	598	8	4,935	4,762
Total current assets	<u>318,755</u>	<u>25,589</u>	<u>5,376</u>	<u>349,720</u>	<u>73,569</u>
Noncurrent assets:					
Notes receivable	200	19,979	-	20,179	-
Loan receivable	2,128	-	-	2,128	-
Deposits	1,779	-	-	1,779	-
Other noncurrent assets	-	1,628	-	1,628	-
Capital assets:					
Nondepreciable:					
Land	841	5,228	8,178	14,247	-
Construction in progress	5,201	-	2,293	7,494	198
Depreciable:					
Structures and improvements	18,577	23,609	49,300	91,486	4,596
Equipment	22,341	1,309	353	24,003	28,206
Software	16,899	-	-	16,899	9
Less accumulated depreciation	(30,676)	(21,110)	(20,865)	(72,651)	(21,801)
Total capital assets	<u>33,183</u>	<u>9,036</u>	<u>39,259</u>	<u>81,478</u>	<u>11,208</u>
Total noncurrent assets	<u>37,290</u>	<u>30,643</u>	<u>39,259</u>	<u>107,192</u>	<u>11,208</u>
Total assets	<u>356,045</u>	<u>56,232</u>	<u>44,635</u>	<u>456,912</u>	<u>84,777</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related items	78,789	-	794	79,583	1,347
OPEB-related items	6,383	186	81	6,650	149
Total deferred outflows of resources	<u>85,172</u>	<u>186</u>	<u>875</u>	<u>86,233</u>	<u>1,496</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	43,962	309	187	44,458	1,825
Payable from restricted cash and investments	-	250	-	250	-
Accrued interest payable	-	-	93	93	-
Accrued salaries and benefits	9,090	216	93	9,399	150
Accrued liabilities	-	55	-	55	-
Due to other funds	2,407	-	12	2,419	23
Due to other governmental agencies	198,641	-	-	198,641	-
Unearned revenues	1,268	453	17	1,738	213
Deposits	-	-	4	4	94
Notes payable - current	-	1	72	73	-
Compensated absences - current	10,426	330	121	10,877	197
Estimated claims - current	-	-	-	-	19,943
Total current liabilities	<u>265,794</u>	<u>1,614</u>	<u>599</u>	<u>268,007</u>	<u>22,445</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	785
Net pension liability	116,802	-	1,133	117,935	2,039
Net OPEB liability	16,387	313	202	16,902	386
Notes payable - noncurrent	-	32	2,102	2,134	-
Compensated absences - noncurrent	6,711	107	65	6,883	131
Estimated claims - noncurrent	-	-	-	-	39,709
Other long-term liabilities - noncurrent	890	447	-	1,337	-
Total noncurrent liabilities	<u>141,734</u>	<u>899</u>	<u>3,502</u>	<u>146,135</u>	<u>43,050</u>
Total liabilities	<u>407,528</u>	<u>2,513</u>	<u>4,101</u>	<u>414,142</u>	<u>65,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related items	23	-	-	23	3
OPEB-related items	6,958	156	85	7,199	164
Total deferred inflows of resources	<u>6,981</u>	<u>156</u>	<u>85</u>	<u>7,222</u>	<u>167</u>
<b>NET POSITION</b>					
Net investment in capital assets	33,183	9,003	37,085	79,271	11,208
Restricted:					
Housing assistance programs	-	1,518	-	1,518	-
Unrestricted	(6,475)	43,228	4,239	40,992	9,403
Total net position	<u>\$ 26,708</u>	<u>\$ 53,749</u>	<u>\$ 41,324</u>	<u>121,781</u>	<u>\$ 20,611</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(515)	
Net position of business-type activities (page 23)				<u>\$ 121,266</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, 2020**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>					
Charges for services	517,334	\$ -	\$ 1,630	\$ 518,964	\$ 161,264
Less:					
Contractual allowances	(369,496)	-	-	(369,496)	-
Provision for doubtful accounts	(3,833)	-	-	(3,833)	-
Net charges for services	144,005	-	1,630	145,635	161,264
Other program revenues:					
Supplemental programs	136,922	-	-	136,922	-
Premium revenues	9,584	-	-	9,584	-
Sales tax realignment	29,049	-	-	29,049	-
Other operating revenues:					
Rent and concessions	10,278	4,007	4,133	18,418	-
Revenue from housing assistance payments	-	112,156	-	112,156	-
Revenue from foundations	3,059	-	-	3,059	-
Sales of drugs and medical supplies, fees, and others	9,090	-	-	9,090	-
Miscellaneous	-	1,076	793	1,869	3,548
Total operating revenues	<u>341,987</u>	<u>117,239</u>	<u>6,556</u>	<u>465,782</u>	<u>164,812</u>
<b>Operating expenses:</b>					
Salaries and benefits	173,803	5,498	1,728	181,029	3,048
Pension expense	37,756	-	381	38,137	643
OPEB expense	2,519	91	33	2,643	59
Pharmaceutical drugs	11,098	-	-	11,098	-
Supplies	11,305	-	-	11,305	-
Contract provider services	72,792	-	-	72,792	-
Other fees and purchased services	65,850	-	-	65,850	-
General and administrative	25,987	5,631	2,861	34,479	18,139
Benefits and claims	-	-	-	-	27,070
Insurance premiums	-	-	-	-	118,048
Depreciation and amortization	2,473	601	918	3,992	2,481
Housing assistance payments	-	96,564	-	96,564	-
Total operating expenses	<u>403,583</u>	<u>108,385</u>	<u>5,921</u>	<u>517,889</u>	<u>169,488</u>
Operating income (loss)	<u>(61,596)</u>	<u>8,854</u>	<u>635</u>	<u>(52,107)</u>	<u>(4,676)</u>
<b>Nonoperating revenues (expenses):</b>					
State and federal grants	-	-	305	305	-
Medi-Cal rate differential	16,044	-	-	16,044	-
Provider relief fund revenues	3,990	-	-	3,990	-
Loss from disposal of capital assets	(160)	-	(371)	(531)	-
Investment income	742	870	172	1,784	2,165
Interest expense	-	-	(102)	(102)	-
Total nonoperating revenues, net	<u>20,616</u>	<u>870</u>	<u>4</u>	<u>21,490</u>	<u>2,165</u>
Income (loss) before capital contributions and transfers	<u>(40,980)</u>	<u>9,724</u>	<u>639</u>	<u>(30,617)</u>	<u>(2,511)</u>
Capital contributions	4,585	-	-	4,585	-
Transfers in	58,122	-	-	58,122	281
Transfers out	(9,734)	-	-	(9,734)	(26)
<b>Change in net position</b>	<u>11,993</u>	<u>9,724</u>	<u>639</u>	<u>22,356</u>	<u>(2,256)</u>
Net position - beginning	<u>14,715</u>	<u>44,025</u>	<u>40,685</u>		<u>22,867</u>
Net position - end	<u>26,708</u>	<u>\$ 53,749</u>	<u>\$ 41,324</u>		<u>\$ 20,611</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(314)</u>	
Change in net position of business-type activities (page 25)				<u>\$ 22,042</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, 2020**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>					
Cash receipts from customers	\$ 307,478	\$ 117,679	\$ 6,628	\$ 431,785	\$ -
Cash receipts from interfund services provided	-	-	-	-	161,798
Cash paid to suppliers of goods and services	(167,218)	(6,173)	(3,005)	(176,396)	(135,478)
Cash paid to employees for services	(201,806)	(5,508)	(2,034)	(209,348)	(3,555)
Cash paid for housing assistance	-	(97,409)	-	(97,409)	-
Cash paid for judgments and claims	-	-	-	-	(24,164)
Net cash provided by (used in) operating activities	(61,546)	8,589	1,589	(51,368)	(1,399)
<b>Cash flows from noncapital financing activities</b>					
County subsidy transfers	58,122	-	-	58,122	-
Transfers received from other funds	-	-	-	-	281
Transfers paid to other funds	(9,734)	-	-	(9,734)	(26)
Loan to other funds	2,380	-	-	2,380	-
Proceeds from long term borrowings	-	199	-	199	-
Cash receipts from provider relief funds	3,990	-	-	3,990	-
Cash receipts related to Medi-Cal rate differential	16,044	-	-	16,044	-
State and federal grant receipts	-	-	305	305	-
Net cash provided by noncapital financing activities	70,802	199	305	71,306	255
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(2,958)	(8)	(190)	(3,156)	(1,851)
Capital contribution	4,585	-	-	4,585	-
Payment on long-term liabilities	-	(1)	(69)	(70)	-
Interest paid on long-term liabilities	-	-	(105)	(105)	-
Net cash provided by (used in) capital and related financing activities	1,627	(9)	(364)	1,254	(1,851)
<b>Cash flows from investing activities</b>					
Cash disbursed for loans	(389)	(8,202)	-	(8,591)	-
Interest received from loans	-	5	-	5	-
Interest receipts	742	943	175	1,860	2,263
Interest expense paid	-	(78)	-	(78)	-
Net cash provided by (used in) investing activities	353	(7,332)	175	(6,804)	2,263
Net increase (decrease) in cash and cash equivalents	11,236	1,447	1,705	14,388	(732)
Cash and cash equivalents, beginning	7,717	22,882	3,598	34,197	63,580
Cash and cash equivalents, end	\$ 18,953	\$ 24,329	\$ 5,303	\$ 48,585	\$ 62,848
<b>Financial statement presentation:</b>					
Cash and investments	\$ 18,953	\$ 22,088	\$ 5,303	\$ 46,344	\$ 62,848
Restricted cash and investments	-	2,241	-	2,241	-
Cash and cash equivalents, end	\$ 18,953	\$ 24,329	\$ 5,303	\$ 48,585	\$ 62,848

(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, 2020**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo				Activities
	Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
<b>Operating income (loss)</b>	\$ (61,596)	\$ 8,854	\$ 635	\$ (52,107)	\$ (4,676)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	2,473	601	918	3,992	2,481
Decrease (increase) in:					
Accounts receivable	(592)	2	15	(575)	(805)
Grant receivable	342	-	-	342	-
Other receivable	(215)	-	-	(215)	-
Due from other funds	(8,937)	-	(8)	(8,945)	(317)
Due from other governmental agencies	(40,584)	(301)	63	(40,822)	(1,284)
Inventories	302	-	-	302	2
Other assets	14	(1,038)	-	(1,024)	(608)
Deposits	(603)	-	-	(603)	-
Deferred outflows of resources	(18,548)	29	-	(18,519)	(293)
Increase (decrease) in:					
Accounts payable	20,116	(75)	(144)	19,897	1,027
Accrued salaries and benefits	813	43	16	872	15
Accrued liabilities	-	8	-	8	-
Due to other funds	-	-	12	12	(298)
Due to other governmental agencies	15,297	-	-	15,297	-
Unearned revenues	165	441	(10)	596	(22)
Net pension liability	26,677	-	22	26,699	436
Net OPEB liability	(1,419)	(122)	42	(1,499)	(33)
Compensated absences	6,356	56	48	6,460	105
Estimated claims	-	-	-	-	2,906
Deferred inflows of resources	(1,607)	91	(20)	(1,536)	(35)
Net cash provided by (used in) operating activities	<u>\$ (61,546)</u>	<u>\$ 8,589</u>	<u>\$ 1,589</u>	<u>\$ (51,368)</u>	<u>\$ (1,399)</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, 2020**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust	Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments (in County investment pool)	\$ 24,213	\$ 3,286,807	\$ 498,988
Cash and investments (outside County investment pool)	140,296	-	-
Receivables (net):			
Due from broker for investments sold	78,103	-	-
Contributions	12,377	-	-
Interest	5,390	12,905	1,895
Securities lending income	3	-	-
Taxes, net	-	-	192,953
Other	87	-	-
Due from other governmental agencies	-	42,052	22,038
Investments:			
Fixed income	1,434,812	-	-
Equity	1,866,264	-	-
Alternatives	593,379	-	-
Inflation hedge	704,361	-	-
Capital assets, net	5,209	-	-
Other assets	-	132	54,893
Total assets	<u>4,864,494</u>	<u>3,341,896</u>	<u>770,767</u>
<b>LIABILITIES</b>			
Accounts payable	2,035	1,432	-
Due to broker for investments purchased	78,242	-	-
Due to other governmental agencies	-	17	154,892
Securities lending collateral due to borrowers	2,424	-	-
Other liabilities	1,291	2,191	-
Fiduciary liabilities	-	-	615,875
Total liabilities	<u>83,992</u>	<u>3,640</u>	<u>770,767</u>
<b>NET POSITION</b>			
Net position restricted for pension benefits/investment pool participants	<u>\$ 4,780,502</u>	<u>\$ 3,338,256</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, 2020**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust
<b>ADDITIONS</b>		
Contributions:		
Employer contributions	\$ 198,583	\$ -
Plan member contributions	70,631	-
Contributions to investment pool	-	4,622,370
Total contributions	269,214	4,622,370
Net investment income:		
Net appreciation in fair value of investments	5,173	55,266
Interest and investment income	76,763	165,973
Investment expense	(39,581)	-
Securities lending activities:		
Securities lending income	52	-
Securities lending expenses	(15)	-
Total net investment income	42,392	221,239
Total additions	311,606	4,843,609
<b>DEDUCTIONS</b>		
Benefits and refunds paid to plan members and beneficiaries:		
Service retirement benefits	212,633	-
Disability retirement benefits	27,602	-
Death and other benefits	1,790	-
Withdrawals of members' contributions	3,796	-
Total benefits and refunds paid to plan members and beneficiaries	245,821	-
Distributions from investment pool	-	4,629,256
Administrative expenses	8,393	-
Total deductions	254,214	4,629,256
<b>Change in net position</b>	57,392	214,353
Net position - beginning	4,723,110	3,123,903
Net position - end	\$ 4,780,502	\$ 3,338,256

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, 2020**  
**(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, 4<sup>th</sup> 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, 1<sup>st</sup> 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, 2020**  
**(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 (see Note 17 for change of governing board), 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 of its 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)**  
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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)**  
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***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**  
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- *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)**  
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**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, 2020, 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, other debt service fund (governmental fund), and the Housing Authority (enterprise fund). Amounts reported in the JPFA and other debt service fund 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 \$134.1 million, net of allowance of \$17.5 million, on the governmental fund balance sheet as of June 30, 2020.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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**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 five networks of infrastructure assets: road, bridge, water and sewer, lighting, and drainage. 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 2019-20 the County performed a complete, physical assessment of the maintained pavement subsystem condition. The condition assessment is completed annually.

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 then. The County has deferred outflows of resources related to the unamortized losses on refunding of debts and

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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 the unamortized gains on refunding of debts. The gains 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.

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

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about the order in which the resources are considered to be applied. The County depletes restricted net position before unrestricted net position is applied.

**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 was calculated at 100% of market value (also known as base 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

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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 2019-20, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$240.5 billion. This amount includes \$23.9 billion in redevelopment assessed value 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 \$28.4 million at June 30, 2020.

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 \$190.5 million at June 30, 2020.

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 \$180 million from the excess ERAF for the fiscal year ended June 30, 2020.

**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*.

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**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.

**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 May 2020, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in statements and implementation guides.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases (postponed by 18 months)*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The County incorporated the provisions of this Statement in fiscal year 2019-20.

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**For the Fiscal Year Ended June 30, 2020**  
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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, 2021.
- 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, 2022.
- 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, 2022.
- 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, 2021.
- 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, 2023.
- In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for the County's fiscal year June 30, 2022.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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- In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). This Statement is effective for the County’s fiscal year June 30, 2022.
- In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for the County’s fiscal year June 30, 2023.
- In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement is effective for the County’s fiscal year June 30, 2023.
- In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for the benefits provided through those plans. 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, 2020, 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 \$0.8 million, \$1.4 million, \$31.8 million, and \$1.6 million 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. In addition, the shelter in place order in effect in March through June 2020, significantly impacted services and the number of projects provided by construction services crews. 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.

*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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

**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, 2020, the net asset value of involuntary participation in the investment pool was \$4.74 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.

**Cash and cash equivalents:**

Cash on hand - County	\$ 6,311
Money market deposit accounts - JPFA	1,371
Cash and deposits - SamCERA	137,872
Deposits - County	(35,399) <sup>1</sup>
Cash deposits - HPSM	53,937 <sup>2</sup>
Cash equivalents - HPSM	<u>202,292 <sup>2</sup></u>
Total cash	<u>366,384</u>

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

Primary government	\$ 2,165,635
Discretely presented component unit - First 5	12,324
Discretely presented component unit - HPSM	422,128 <sup>2</sup>
Pension trust fund	4,763,325
Investment trust fund	3,286,807
Agency funds	<u>498,988</u>
Total cash and investments	<u>\$ 11,149,207</u>

**Investments:**

In Treasurer's pool	6,078,607
With fiscal agents of the JPFA	44,043
In SamCERA's portfolio	4,601,240
In HPSM's portfolio	<u>61,992 <sup>2</sup></u>
Total investments	10,785,882
Perspective difference	<u>(3,059) <sup>3</sup></u>
	<u>10,782,823</u>
Total cash and investments	<u>\$11,149,207</u>

<sup>1</sup> At year-end, the carrying amount of the County's cash deposits was \$(35,399) and the bank balance was \$73,335. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

<sup>2</sup> HPSM's cash and investments were as of December 31, 2019.

<sup>3</sup> Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2019 and June 30, 2020, which was \$103,907 and \$106,966, respectively.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

**Investments**

The table below summarizes total investments reported as of June 30, 2020:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
<b>Investments in Investment Pool</b>					
Negotiable certificates of deposit	0.60% - 2.83%	7/10/20 - 12/2/22	\$ 370,000	\$ 375,329	1.09
U.S. treasury notes	1.13% - 2.88%	7/31/20 - 10/31/24	2,433,490	2,538,288	2.24
U.S. treasury bills	0%	7/21/20 - 5/20/21	55,000	54,961	0.38
U.S. government agency securities	0% - 5.25%	7/6/20 - 6/17/25	967,565	987,903	2.00
U.S. government agency securities - floating rate	0.10% - 0.26%	9/28/20 - 11/8/21	70,000	69,949	0.96
U.S. instrumentalities <sup>2</sup>	0% - 2.00%	7/1/20 - 1/15/25	383,685	385,642	0.58
Corporate bonds	0.40% - 4.35%	7/15/20 - 2/13/25	789,065	816,367	2.02
Corporate bonds - floating rate	0.48% - 3.86%	8/17/20 - 7/23/24	160,211	161,547	1.42
Municipal bonds	2.00% - 3.40%	8/1/23 - 8/1/24	17,650	18,744	3.19
Money market funds	0%	**	3,909	3,909	*
Local Agency Investment Fund	1.20%	**	75,000	75,000	0.52
California Asset Management Program	0.90%	**	380,000	380,000	0.14
Commercial paper	0% - 1.05%	7/17/20 - 2/2/21	122,600	122,240	0.26
Asset backed securities	1.66% - 2.60%	12/15/22 - 12/16/24	86,465	88,728	3.77
<b>Total investments in investment pool</b>			<u>\$ 5,914,640</u>	<u>6,078,607</u>	1.71
<b>Investments outside of Investment Pool</b>					
<b>San Mateo Joint Powers Financing Authority</b>					
U.S. treasury notes				16,840	1.10
Resolution Funding Corporation Principal STRIPS - U.S. agency securities				1,113	*
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	6.40
Guaranteed investment contract				5,470	1.00
First American Treasury Obligations Fund				19,682	*
Subtotal				<u>44,043</u>	
<b>San Mateo County Employees' Retirement Association</b>					
Commingled fixed income portfolio:					
Opportunistic Credit Funds <sup>3</sup>				460,657	6.83
BlackRock Intermediate Government Bond				153,638	4.05
Fidelity Institutional Asset Management				254,182	8.33
Western Asset Management				167,629	7.37
Subtotal				<u>1,036,106</u>	6.87
Separate account fixed income portfolio: <sup>4</sup>					
Asset Back Securities				65,657	18.29
Commercial Mortgage Backed				30,327	26.77
Corporate Bonds				64,862	10.98
Government Agencies				2,515	11.59
Government Bonds				104,545	15.15
Government Mortgage Backed Securities				119,395	20.86
Government Commercial Mortgage Backed				2,138	7.10
Municipal Bonds				1,179	13.43
Non-government Backed CMOs				8,088	33.51
Subtotal				<u>398,706</u>	17.88

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Fair Value	Weighted Average Maturity (Years)
<b>Investments outside of Investment Pool</b>		
Northern Institutional Liquid Assets Portfolio Cash Collateral Fund	2,424	**
Equity securities:		
Foreign stocks	464,505	**
U.S. common & preferred stock	310,900	**
Commingled funds:		
Domestic equity	591,155	**
International equity	282,259	**
Liquid pool	186,589	**
Domestic equity	151,663	**
International equity	65,783	**
Real estate	425,695	**
Alternatives:		
Absolute return/hedge funds	259,098	**
Private equity	334,281	**
Private real asset	92,076	**
Subtotal	3,166,428	
Total SamCERA's investments	4,601,240	
<b>Health Plan of San Mateo</b> (as of December 31, 2019)		
Local Agency Investment Fund	61,992	0.52
<b>Total investments outside of investment pool</b>	4,707,275	
<b>Total investments</b>	\$ 10,785,882	

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

\*\* Not applicable or not available.

<sup>1</sup> WAM was computed using the average life from the Pooled Money Investment Account quarterly performance report as of June 30, 2020.

<sup>2</sup> U.S. instrumentalities are United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

<sup>3</sup> Category consists of twelve opportunistic credit funds managed by Angelo Gordon (four funds), Beach Point, Brigade Capital Management, Franklin Templeton, Tennenbaum Capital Partners, Blackrock, PIMCO (two funds) and White Oak.

<sup>4</sup> Category consists of two fixed income separate account managers: NISA and DoubleLine.

<sup>5</sup> The JPFA's investments are measured at individual maturity in years.

### 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, 2020, the investment pool had a weighted average maturity of 1.71 years and its investment in floating rate securities was \$231.5 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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

Investment as of June 30, 2020	Standard & Poor's Rating	% of Portfolio
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	AA-	2.27%
Negotiable Certificates of Deposit	A1+	0.82%
Negotiable Certificates of Deposit	A1	0.41%
Negotiable Certificates of Deposit	A+	2.09%
Negotiable Certificates of Deposit	A	0.58%
U.S. Government Securities		
U.S. Treasury Securities	AA+	42.66%
U.S. Instrumentalities	AAA	6.34%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	8.74%
Federal Home Loan Mortgage Corporation	AA+	2.37%
Federal Home Loan Bank - Floating rate	AA+	0.25%
Federal Farm Credit Bank	AA+	0.78%
Federal Farm Credit Bank - Floating Rate	AA+	0.90%
Federal National Mortgage Association	AA+	4.37%
Corporate Bonds		
Corporate Bonds	AA+	0.48%
Corporate Bonds	AA	0.52%
Corporate Bonds	AA-	2.19%
Corporate Bonds	A+	2.88%
Corporate Bonds	A	4.29%
Corporate Bonds	A-	2.36%
Corporate Bonds	BBB+	0.71%
Corporate Bonds - Floating Rate Securities	AA+	0.12%
Corporate Bonds - Floating Rate Securities	AA-	0.16%
Corporate Bonds - Floating Rate Securities	A1	0.16%
Corporate Bonds - Floating Rate Securities	A+	1.28%
Corporate Bonds - Floating Rate Securities	A	0.25%
Corporate Bonds - Floating Rate Securities	A-	0.68%
Asset Backed Securities	AAA	1.46%
Municipal Bonds	AAA	0.10%
Municipal Bonds	AA-	0.21%
Money Market Funds	AAA	0.06%
Local Agency Investment Fund	Not rated	1.23%
California Asset Management Program	AAA	6.25%
Commercial Paper	A1+	0.09%
Commercial Paper	A1	1.94%
Total		<u>100.00%</u>

*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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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*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, 2020, the investment pool has more than 5% of its total investments with the following issuer: 8.99% 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, 2020, the PMIA balance was \$101 billion, of which 2.21% is in structured notes and medium-term asset backed securities, and 1.16% in short-term asset-backed commercial paper. The total amount invested by all public agencies in LAIF was \$32.1 billion, while the County's investment in LAIF was \$75.0 million and HPSM's investment in LAIF was \$62.0 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 191 days as of June 30, 2020. The Local Investment Advisory Board, which consisted of five members designated by State statutes, has oversight responsibility for LAIF.

The County's investment pool also invests in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its participants to invest certain proceeds of debt issues and surplus funds. CAMP is directed by a Board of Trustees that consists of the governing body, officers, or full-time employees of California public agencies. The County reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. CAMP had a weighted average maturity of 53 days at June 30, 2020.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

**County Investment Pool Condensed Financial Information**

Below is the condensed statement of the investment pool as of June 30, 2020:

**Statement of Net Position**

<b>Assets:</b>	
Negotiable certificates of deposit	\$ 375,329
U.S. treasury notes	2,538,288
U.S. treasury bills	54,961
U.S. government agency securities	987,903
U.S. government agency securities - floating rate	69,949
U.S. instrumentalities	385,642
Corporate bonds	816,367
Corporate bonds - floating rate	161,547
Municipal bonds	18,744
Money market funds	3,909
Local Agency Investment Fund	75,000
California Asset Management Program	380,000
Commercial paper	122,240
Asset backed securities	88,728
Total investments	6,078,607
Other assets	55,089
Pool deposits	73,335
Total assets	6,207,031
<b>Liabilities:</b>	
Unfunded checks and warrants	108,734
Other liabilities	3,640
Total liabilities	112,374
<b>Net Position:</b>	
Equity of internal pool participants	2,756,401
Equity of external pool participants	3,338,256
Total net position	\$ 6,094,657

**Statement of Changes in Net Position**

Net position at July 1, 2019	\$ 4,496,947
Net change in investments by pool participants	1,597,710
Net position at June 30, 2020	\$ 6,094,657

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

Participant units outstanding (one dollar par value)	\$ 6,039,391
Undistributed and unrealized gain	55,266
Net position at June 30, 2020	\$ 6,094,657

Participant net position at fair value price per share (\$6,094,657 divided by 6,039,391 units)	\$ 1.0092
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**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(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, 2020, the JPFA's investment portfolio had a weighted average maturity of 1.6 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, 2020, 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 "A-" by Standard & Poor's, "A3" by Moody's Investors Service, and "A+" by Fitch. The U.S. treasury notes were 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, 2020, the JPFA has \$0.9 million, or 0.4%, of its total investments in repurchase agreements with the Hong Kong and Shanghai Banking Corporation; \$16.8 million, or 7.9%, in U.S. Treasury Notes; \$5.5 million, or 2.6%, in a guaranteed investment contract with Financial Guaranty Insurance Company Capital Market Services Group; and \$1.1 million, or 0.5%, in U.S. agency securities with Resolution Funding Corporation Principal STRIPS.

**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. SamCERA completed its asset liability study in the fourth quarter of 2019 and, as part of this process, the Board approved a new asset allocation policy. The biggest change in the new policy is the elimination of the 8% allocation to Risk Parity. SamCERA also completed the last phase of its currency hedge program for developed international equity during the fiscal year.

*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**  
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**For the Fiscal Year Ended June 30, 2020**  
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*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, 2020, \$18.0 million of cash held with a financial institution in a pooled money market fund, \$24.2 million in the County's investment pool, and \$32.6 million with SamCERA's stock distribution broker, Merrill Lynch. Cash held by investment managers at year end amounted to \$33.2 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, \$1.7 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 and two fixed income portfolios 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.

Credit Risk	Active Management	Commingled Management
AAA	0.5%	19.7%
AA	8.4%	16.7%
A	27.5%	8.8%
BBB	20.9%	8.8%
Less than BBB	-	26.6%
Not rated	42.7%	19.4%
	100.0%	100.0%

*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. As of June 30, 2020, 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.

*Concentration of Credit Risk.* SamCERA's investment policy has no general policy on the concentration of credit risk. As of June 30, 2020, SamCERA does not have investments in a single issuer with five percent or more on the statement of fiduciary net position.

**COUNTY OF SAN MATEO**  
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*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.

The table below indicates the magnitude of risk for each foreign currency denominated in U.S. dollars as of June 30, 2020. Foreign investments held within commingled fund vehicles are excluded from the table below.

<u>Country</u>	<u>Common Stock</u>	<u>Foreign Currency</u>	<u>Total</u>
Australia	\$ 14,671	\$ -	\$ 14,671
Brazil	3,276	-	3,276
Canada	2,935	463	3,398
Switzerland	14,226	28	14,254
Denmark	2,514	-	2,514
Europe	116,102	(93)	116,009
United Kingdom	69,563	-	69,563
Hong Kong	26,205	1,164	27,369
India	11,435	-	11,435
Japan	109,500	85	109,585
South Korea	2,562	-	2,562
Mexico	1,358	-	1,358
Sweden	21,047	-	21,047
Singapore	12,167	75	12,242
South Africa	5,310	-	5,310
Total	<u>\$ 412,871</u>	<u>\$ 1,722</u>	<u>\$ 414,593</u>

**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. As of June 30, 2020, derivatives held an aggregate notional amount of -\$80.7 million and a fair value of \$1.3 million in the statement of fiduciary net position as part of the cash management overlay and inflation hedge. Changes in fair value during FY 2020 are reported in the statement of changes in fiduciary net position as a component of investment income. The derivatives held are investment derivatives and are not hedges for accounting purposes.

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.

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, 2020</u>	<u>Notional Value</u>	<u>Fair Value</u>	
		<u>(Level 1)</u>	<u>(Level 2)</u>
Interest rate contracts - long	\$ (29,207)	\$ -	\$ 25
Foreign exchange contracts - short	(54,480)	-	1,048
Equity contracts - long	3,027	218	-
Total	<u>\$ (80,660)</u>	<u>\$ 218</u>	<u>\$ 1,073</u>

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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*Custodial Credit Risk - Derivatives.* As of June 30, 2020, 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, 2020, the fair value of securities on loan reported and the total collateral held amounted to \$9.9 million and \$10.1 million (with \$2.4 million in cash collateral and \$7.7 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, 2020, the Fund had an interest sensitivity of 38 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.
- 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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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The County's cash equivalents and investments by fair value level as of June 30, 2020, include the following:

<b>Investments</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
Investments subject to fair value hierarchy:			
Negotiable certificates of deposit	\$ 375,329	\$ -	\$ 375,329
U.S. treasury notes	2,555,128	-	2,555,128
U.S. treasury bills	54,961	-	54,961
U.S. government agency securities	1,215,680	-	1,215,680
U.S. government agency securities - floating rate	69,949	-	69,949
U.S. instrumentalities	385,642	-	385,642
Corporate bonds	986,107	-	986,107
Corporate bonds - floating rate	161,547	-	161,547
Municipal bonds	19,692	-	19,692
Money market funds	3,909	3,909	-
Commercial paper	122,240	-	122,240
Repurchase agreements	938	-	938
Asset backed securities	88,728	-	88,728
Guaranteed investment contract	5,470	-	5,470
Mutual funds	19,682	-	19,682
Collateral from securities lending	2,424	2,424	-
Foreign government securities	1,354	-	1,354
Equity securities:			
Foreign stocks	464,505	464,505	-
U.S. common & preferred stock	310,900	310,900	-
Commingled funds:			
Domestic bond	700,603	-	700,603
Domestic equity	591,155	-	591,155
International equity	282,259	-	282,259
Liquid pool	186,589	-	186,589
Total investments subject to fair value hierarchy	8,604,791	\$ 781,738	\$ 7,823,053
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	136,992		
California Asset Management Program	380,000		
Investments measured at the net asset value (NAV)			
Domestic bond funds	286,956		
Global bond funds	48,547		
Domestic equity funds	151,663		
International equity funds	65,783		
Real estate funds	425,695		
Absolute return/hedge funds	259,098		
Private equity funds	334,281		
Private real asset funds	92,076		
Total investments measured at NAV	1,664,099		
Total investments	\$ 10,785,882		

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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<u>Investments measured at NAV</u>	<u>6/30/2020</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Domestic bond funds <sup>(1)</sup>	\$ 286,956	\$ 49,166	Daily, monthly, not eligible	15 days, not applicable
Global bond funds <sup>(1)</sup>	48,547	-	Monthly	15 days
Domestic equity funds <sup>(1)</sup>	151,663	-	Daily	1-5 days
International equity funds <sup>(1)</sup>	65,783	-	Daily	1-10 days
Real estate funds <sup>(2)</sup>	425,695	20,883	Quarterly, not eligible	45 days, not applicable
Hedge funds/absolute return <sup>(3)</sup>	259,098	-	Semi-monthly, monthly	5-75 days
Private equity funds <sup>(4)</sup>	334,281	152,983	Not eligible	Not applicable
Private real asset funds <sup>(4)</sup>	92,076	111,187	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 1,664,099</u>	<u>\$ 334,219</u>		

<sup>(1)</sup> *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.

<sup>(2)</sup> *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.

<sup>(3)</sup> *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.

<sup>(4)</sup> *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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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**NOTE 5 – RECEIVABLES**

As of June 30, 2020, 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 \$221.8 million, of which about \$169.5 million is not expected to be collected within the next twelve months.

<b>Governmental Activities</b>	General Fund	JPFA	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 299,994	\$ -	\$ 467	\$ 1,260	\$ 301,721
Interest	28,545	922	1,054	245	30,766
Taxes	35,551	-	1,638	-	37,189
Mortgages	151,661	-	-	-	151,661
Advances	1	-	-	-	1
Other	24,652	-	-	-	24,652
Gross receivables	540,404	922	3,159	1,505	545,990
Less: allowances for uncollectibles	(318,558)	-	(795)	-	(319,353)
Total receivables, net	<u>\$ 221,846</u>	<u>\$ 922</u>	<u>\$ 2,364</u>	<u>\$ 1,505</u>	<u>\$ 226,637</u>

<b>Business-type Activities</b>	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 65,292	\$ 3	\$ 84	\$ 65,379
Grant	6	-	-	6
Interest	2,174	96	18	2,288
Other	4,850	-	-	4,850
Gross receivables	72,322	99	102	72,523
Less: allowances for uncollectibles	(43,253)	-	(45)	(43,298)
Total receivables, net	<u>\$ 29,069</u>	<u>\$ 99</u>	<u>\$ 57</u>	<u>\$ 29,225</u>

**Housing Authority of the County of San Mateo**

As of June 30, 2020, the Housing Authority has a total notes receivable of \$20 million of which is not expected to be collected within the next twelve months.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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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, 2020, 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>
<b>General Fund</b>			
Property taxes	\$ 2,035	\$ 18,365	\$ 20,400
Intergovernmental revenues	55,592	118,213	173,805
Mortgage and related interest	154,520	-	154,520
Excess ERAF	21,290	-	21,290
VLF Shortfall	5,995	-	5,995
SB 90 mandated costs	574	-	574
Others	5,829	9,216	15,045
	<u>245,835</u>	<u>145,794</u>	<u>391,629</u>
<b>Nonmajor Governmental Funds</b>			
Property taxes	94	847	941
Intergovernmental revenues	1,743	46	1,789
Excess ERAF	147	-	147
	<u>1,984</u>	<u>893</u>	<u>2,877</u>
<b>Internal Service Funds</b>			
	<u>-</u>	<u>213</u>	<u>213</u>
<b>Total Governmental Activities</b>	<u>\$ 247,819</u>	<u>\$ 146,900</u>	<u>\$ 394,719</u>
<b>Business-type Activities</b>			
San Mateo Medical Center		\$ 1,268	\$ 1,268
Housing Authority		453	453
Nonmajor Enterprise Funds		17	17
<b>Total Business-type Activities</b>		<u>\$ 1,738</u>	<u>\$ 1,738</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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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The table below summarizes the County’s interfund receivables and payables as of June 30, 2020:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	JPFA	\$ 161
	Nonmajor Governmental Funds	1,137
	Medical Center	2,406
	Nonmajor Enterprise Funds	12
	Internal Service Funds	23
		<u>3,739</u>
Nonmajor Governmental Funds	General Fund	3,110
	Nonmajor Governmental Funds	1,435
		<u>4,545</u>
Medical Center	General Fund	8,937
Nonmajor Enterprise Funds	General Fund	8
Internal Service Funds	General Fund	288
Internal Service Funds	Nonmajor Governmental Funds	42
Internal Service Funds	Medical Center	1
		<u>331</u>
	Total	<u>\$ 17,560</u>

***Advances to/from other funds***

Advances from the General Fund are comprised of the following as of June 30, 2020:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	JPFA	\$ 65
	Nonmajor Governmental Funds	5,955
	Medical Center	944
	Internal Service Funds	785
	Total	<u>\$ 7,749</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 costs of issuance. During the fiscal year, partial payments of \$0.1 million were made to the County General Fund.
- In February 2014, \$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 \$0.3 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. In June 2020, \$0.3 million, of the authorized \$0.4 million, was advanced to the Road Fund to purchase equipment. Road Fund will repay the amount no later than 10 years with 1.86% fixed interest rate.
- \$0.9 million of General Fund advances to the Medical Center 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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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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.
Medical Center	Nonmajor Governmental Funds	9,734	Transfer funds to cover lease payments.
	Total	<u>\$ 67,856</u>	

**(b) Between Funds within Governmental Activities<sup>(1)</sup>:**

Transfer from	Transfer To	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 59,805	Provide funds to finance County capital projects.
	Nonmajor Governmental Funds	34,881	Transfer funds to cover lease payments.
	Nonmajor Governmental Funds	3,702	Contribute funds to support in-home supportive services.
	Nonmajor Governmental Funds	45,000	Transfer funds to finance County capital projects.
	Subtotal	<u>143,388</u>	
General Fund	JPFA	161	Contribute funds to finance 2019 Series A Lease Revenue Bonds.
General Fund	Internal Service Funds	281	Provide subsidy to finance retiree health benefits.
Nonmajor Governmental Funds	General Fund	47	Transfer funds to cover rent surcharges.
	General Fund	820	Contribute funds to support Commute Alternatives Program costs.
	General Fund	11,590	Transfer funds to support San Mateo County Fire program.
	General Fund	6,820	Provide funds to finance County capital projects.
	Subtotal	<u>19,277</u>	
Nonmajor Governmental Funds	Nonmajor Governmental Funds	3,794	Transfer funds to cover lease payments.
	Nonmajor Governmental Funds	2,549	Transfer funds to finance capital improvements.
	Nonmajor Governmental Funds	1,506	Transfer funds to cover debt service payments.
	Subtotal	<u>7,849</u>	
Nonmajor Governmental Funds	JPFA	45,629	Transfer funds to cover debt service payments.
Internal Service Funds	General Fund	14	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	8	Transfer funds to cover lease payments.
	Subtotal	<u>12</u>	
	Total	<u>\$ 216,611</u>	

<sup>(1)</sup> 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)**  
**For the Fiscal Year Ended June 30, 2020**  
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**NOTE 8 – CAPITAL ASSETS**

Capital asset activities for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2020
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 97,595	\$ 4,788	\$ (796)	\$ -	\$ 101,587
Infrastructure - maintained road subsystem	94,563	-	-	443	95,006
Construction in progress	145,156	88,466	(733)	(103,566)	129,323
Total capital assets, not being depreciated	337,314	93,254	(1,529)	(103,123)	325,916
<i>Capital assets, being depreciated:</i>					
Infrastructure	103,199	-	(39,253)	8,050	71,996
Structures and improvements	904,708	8,501	(53)	88,056	1,001,212
Equipment	112,901	8,941	(2,833)	1,650	120,659
Software	18,327	98	-	4,315	22,740
Total capital assets, being depreciated	1,139,135	17,540	(42,139)	102,071	1,216,607
<i>Less accumulated depreciation for:</i>					
Infrastructure	(39,688)	(2,017)	12,055	-	(29,650)
Structures and improvements	(241,478)	(19,207)	9	-	(260,676)
Equipment	(88,716)	(8,825)	2,744	-	(94,797)
Software	(15,322)	(2,663)	-	-	(17,985)
Total accumulated depreciation	(385,204)	(32,712)	14,808	-	(403,108)
Total capital assets, being depreciated, net	753,931	(15,172)	(27,331)	102,071	813,499
<b>Governmental activities capital assets, net</b>	<b>\$ 1,091,245</b>	<b>\$ 78,082</b>	<b>\$ (28,860)</b>	<b>\$ (1,052)</b>	<b>\$ 1,139,415</b>
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,247	\$ -	\$ -	\$ -	\$ 14,247
Construction in progress	6,794	3,147	(371)	(2,076)	7,494
Total capital assets, not being depreciated	21,041	3,147	(371)	(2,076)	21,741
<i>Capital assets, being depreciated:</i>					
Structures and improvements	90,330	-	-	1,156	91,486
Equipment	23,505	9	(275)	765	24,004
Software	16,744	-	-	155	16,899
Total capital assets, being depreciated	130,579	9	(275)	2,076	132,389
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(42,177)	(1,924)	-	-	(44,101)
Equipment	(11,163)	(1,695)	115	-	(12,743)
Software	(15,435)	(373)	-	-	(15,808)
Total accumulated depreciation	(68,775)	(3,992)	115	-	(72,652)
Total capital assets, being depreciated, net	61,804	(3,983)	(160)	2,076	59,737
<b>Business-type activities capital assets, net</b>	<b>\$ 82,845</b>	<b>\$ (836)</b>	<b>\$ (531)</b>	<b>\$ -</b>	<b>\$ 81,478</b>

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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**Depreciation**

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

<u>Governmental Activities</u>	
General government	\$ 6,362
Public protection	16,361
Public ways and facilities	1,101
Health and sanitation	3,322
Public assistance	1,363
Recreation	1,722
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets.	2,481
Total depreciation - governmental activities	<u>\$ 32,712</u>
<u>Business-type Activities</u>	
Medical Center	\$ 2,473
Housing Authority	601
Airports	604
Coyote Point Marina	314
Total depreciation - business-type activities	<u>\$ 3,992</u>

**Capital Project Commitments**

The County had four major capital project underway in FY 2019-20 as follows:

*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 is estimated to be \$47.2 million with anticipated completion by July 2021. The total cost incurred during FY 2019-20 is \$16.9 million.

*County Office Building 3*

County Office Building 3 (COB3) will be an elevated structure, and contains 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 design phase will be completed by July 2021, and construction will be substantially completed by June 2023. The estimated project costs are \$152 million, of which \$96 million was funded by the 2018 Lease Revenue Bonds. The total cost incurred during FY 2019-20 is \$7.5 million.

*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

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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with the OSHPD Renovation phase to be completed by October 2020, and final phase of the project completion by June 2024. The estimated project cost is \$132 million. The total cost incurred during FY 2019-20 is \$19.4 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 March 2024. The estimated project cost is \$155 million. The total cost incurred during FY 2019-20 is \$4 million.

**Health Plan of San Mateo**

Capital asset activities of the Health Plan of San Mateo for the fiscal year ended June 30, 2020, are as follows:

	<u>Balance</u>			<u>Balance</u>
<b>Component Unit</b>	<u>January 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2019</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 15,668	\$ -	\$ -	\$ 15,668
<i>Capital assets, being depreciated:</i>				
Building	31,810	-	-	31,810
Building improvements	22,694	129	-	22,823
Furniture and equipment	14,014	250	(173)	14,091
Total capital assets, being depreciated	68,518	379	(173)	68,724
<i>Less accumulated depreciation and amortization for:</i>				
	(14,221)	(2,876)	173	(16,924)
Total capital assets, being depreciated, net	54,297	(2,497)	-	51,800
<b>Component unit capital assets, net</b>	<u>\$ 69,965</u>	<u>\$ (2,497)</u>	<u>\$ -</u>	<u>\$ 67,468</u>

**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 \$13.2 million for the fiscal year ended June 30, 2020, and the future minimum lease payments are as follows:

<u>Governmental Activities</u>	<u>Business-type Activities</u> <u>Housing Authority</u>	<u>Component Units</u> <u>First 5 San Mateo County</u>
<u>Fiscal year ending June 30,</u>	<u>Fiscal year ending June 30,</u>	<u>Fiscal year ending June 30,</u>
2021	\$ 474	\$ 92
2022	474	31
2023	474	<u>123</u>
2024	473	
2025	<u>\$ 1,895</u>	
2026-2030		
2031-2035		
2036-2040		
2041		
Total		
	<u>\$ 83,494</u>	

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, 2020.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

**NOTE 10 – LONG-TERM LIABILITIES**

The County's long-term liabilities as of June 30, 2020, 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, 2020</u>
<b>Governmental Activities</b>					
<b>Lease Revenue Bonds:</b>					
<b><u>1993 Issue</u></b>					
Purpose: To defease 1991 Certificates of Participation and finance the costs of a parking garage and jail.					
Term Current Interest Bonds	7/1/20 - 7/1/21	5%	\$4,960 - \$5,205	\$ 23,520	\$ 10,165
<b><u>1993 Issue - Satellite Clinic</u></b>					
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	9/1/20 - 9/1/26	5.95% - 6%	\$188 - \$216	2,085	1,405
Accreted interest on capital appreciation bonds				8,941	5,144
1993 Issue - Satellite Clinic				11,026	6,549
<b><u>2009 Issue</u></b>					
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	7/15/20	4% - 5%	\$7,165	115,505	7,165
<b><u>2013 Issue</u></b>					
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	7/15/20 - 7/15/32	4.25% - 5.25%	\$580 - \$10,320	40,065	32,765
<b><u>2014 Issue</u></b>					
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	6/15/21 - 6/15/31	3% - 5%	\$5,675 - \$12,220	157,895	90,465
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				175,065	107,635
<b><u>2016 Issue</u></b>					
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	7/15/20 - 7/15/36	3% - 5%	\$3,550 - \$7,620	107,600	93,975
<b><u>2018 Issue</u></b>					
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
				217,640	217,640

(Continued)

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2020
<b>2019 Issue</b>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/21 - 7/15/26	5%	\$7,045 - \$8,290	\$ 45,170	\$ 45,170
<b>Total governmental activities</b>				<b>\$ 735,591</b>	<b>\$ 521,064</b>
<b>Business-type Activities</b>					
<b>Notes Payable:</b>					
<b>Coyote Point Marina</b>					
Department of Boating and Waterways	8/1/20 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 390
Dock 29 loan	8/1/20 - 8/1/45	4.5%	\$37 - \$114	1,919	1,784
<b>Housing Authority</b>					
California Housing Finance Agency	5/20/57	0.00%	-	49	33
<b>Total business-type activities</b>				<b>\$ 4,282</b>	<b>\$ 2,207</b>

The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2020.

	Balance July 1, 2019	Additions/ Accretions	Retirements	Balance June 30, 2020	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Lease revenue bonds	\$ 551,005	\$ 45,170	\$ (80,255)	\$ 515,920	\$ 28,806
Accreted interest on capital appreciation bonds	5,506	413	(775)	5,144	819
Add: unamortized premium	51,511	4,090	(6,463)	49,138	3,007
Lease revenue bonds, net	608,022	49,673	(87,493)	570,202	32,632
Revenue refunding bonds	16,815	-	(16,815)	-	-
Add: unamortized premium	2,261	-	(2,261)	-	-
Revenue refunding bonds, net	19,076	-	(19,076)	-	-
Other long-term obligations	4,397	-	(148)	4,249	151
Estimated claims	56,746	27,070	(24,164)	59,652	19,943
Compensated absences	48,919	55,359	(33,050)	71,228	34,982
<b>Total Governmental Activities</b>	<b>\$ 737,160</b>	<b>\$ 132,102</b>	<b>\$ (163,931)</b>	<b>\$ 705,331</b>	<b>\$ 87,708</b>
<b>Business-type Activities:</b>					
<b>San Mateo Medical Center</b>					
Compensated absences	\$ 10,781	\$ 16,087	\$ (9,731)	\$ 17,137	\$ 10,426
Other long-term obligations	890	-	-	890	-
	11,671	16,087	(9,731)	18,027	10,426
<b>Housing Authority</b>					
Notes payable	34	-	(1)	33	1
Compensated absences	381	526	(469)	437	330
Other long-term obligations	248	199	-	447	-
	663	725	(470)	917	331
<b>Other Enterprise Funds</b>					
Notes payable	2,243	-	(69)	2,174	72
Compensated absences	139	139	(92)	186	121
	2,382	139	(161)	2,360	193
<b>Total Business-type Activities</b>	<b>\$ 14,715</b>	<b>\$ 16,951</b>	<b>\$ (10,361)</b>	<b>\$ 21,304</b>	<b>\$ 10,950</b>

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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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 \$822.6 million payable through July 15, 2052. For the current year, principal and interest paid by the JPFA totaled \$31.3 million and \$26.7 million, respectively.
- The *revenue refunding bonds* are payable by a pledge of revenues from the installment payments payable by the County Flood Control District. For the current year principal and interest paid by the District totaled \$0.7 million and \$0.8 million, respectively. On January 1, 2020, total debt service requirements on the revenue refunding bonds of \$16.1 million and \$2.2 million of unamortized bond premium were transferred out of the County. See Note 17 – Special Item for additional disclosure on the District.
- *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.
- *Net pension liability and net OPEB liability* are financed by governmental funds that are responsible for the charges.

Annual debt service requirements for the governmental activities as of June 30, 2020, are summarized as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Lease Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	
		<u>Accretion</u>	<u>Interest</u>
2021	\$ 28,806	\$ 819	\$ 23,508
2022	27,514	866	22,145
2023	22,674	911	21,057
2024	24,785	960	19,874
2025	25,091	1,009	18,629
2026-2030	120,651	2,180	74,199
2031-2035	86,410	-	48,514
2036-2040	49,140	-	33,215
2041-2045	41,955	-	23,370
2046-2050	52,165	-	13,095
2051-2053	36,730	-	2,308
Total requirements	515,920	6,746	299,915
Less: unaccreted interest	-	(1,602)	-
Total	<u>\$ 515,920</u>	<u>\$ 5,144</u>	<u>\$ 299,915</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.

Annual debt service requirements for the business-type activities notes payable as of June 30, 2020, are summarized as follows:

<u>Coyote Point Marina</u>			<u>Housing Authority</u>	
Fiscal Year Ended	Principal	Interest	Fiscal Year Ended June 30,	Principal
June 30,			Ended June 30,	
2021	\$ 72	\$ 102	2021	\$ 1
2022	75	98	2022	-
2023	78	95	2023	-
2024	82	91	2024	-
2025	86	88	2025	-
2026-2030	453	375	2026-2030	-
2031-2035	318	278	2031-2035	-
2036-2040	398	197	2036-2040	-
2041-2045	498	97	2041-2045	-
2046-2050	114	5	2046-2050	-
2051-2055	-	-	2051-2055	-
2056-2057	-	-	2056-2057	32
Total requirements *	<u>\$ 2,174</u>	<u>\$ 1,426</u>	Total	<u>\$ 33</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, 2020, the total principal due to the State is \$1,784.

**Forward Refunding of 2019 Series A Lease Revenue Bonds**

In October 2019, the JPFA issued 2019 Series A Lease Revenue Bonds (Forward Refunding) (the “2019A Bonds”) 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 2019A Bonds totaling \$49.3 million were used to refund the outstanding 2009 Bonds and pay costs of issuance. On the refunding date of the 2009 Bonds, certain bonds were not callable until January 2020. Thus, the proceeds were deposited into an escrow account to redeem the 2009 Bonds on January 15, 2020. In July 2020, the Authority paid its scheduled outstanding principal amount of \$7.2 million plus interest to fully retire the 2009 Bonds.

The JPFA in effect realized an economic gain of \$4.9 million (the difference between the present value of the debt service payments on the old debt and the present value of the debt service payments on the new debt) by reducing its aggregate debt service payments of \$5.8 million over the next 6 years. While the refunding resulted in an economic gain, the refunding also resulted in a \$2.2 million accounting gain, which is the difference between the funds required to refund the old debt and the net carrying amount of the old debt. The accounting gain is reported as deferred inflow of resources on the governmental activities statement of net position and will be amortized over the remaining life of the new debt.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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**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 \$115.1 million for the fiscal year ended June 30, 2020.

**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 inflows and 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, 2020, restricted net position for governmental activities was \$319.6 million as reported on the government-wide statement of net position, and approximately \$72.0 million of which was restricted by enabling legislation. Restricted net position for the Housing Authority (business-type activities) of \$1.5 million included the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. These funds are restricted by HUD as to use and must be approved before expending.
- *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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**Notes to the Basic Financial Statements (Continued)**  
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	General Fund	Joint Powers Financing Authority	Other Governmental Funds
<b>Nonspendable:</b>			
Inventories	\$ 45	\$ -	\$ 304
Prepaid items	14,132	643	315
Long-term interfund advances	7,749	-	-
Long-term receivables	30,427	-	-
Total nonspendable	52,353	643	619
<b>Restricted:</b>			
Behavioral health services	323	-	-
Transportation	420	-	-
Health realignment	5,890	-	-
Calworks	178	-	-
Social services realignment	66,286	-	-
Medi-Cal	11,546	-	-
Health services programs	9,518	-	-
California assistance program for immigrants	13,321	-	-
Wraparound program	12,212	-	-
Homeless emergency aid program	4,694	-	-
Homeless housing assistance program	3,998	-	-
Other social services programs	2,345	-	-
Debt service	-	208,795	31,742
Road improvement	-	-	26,482
Fire services	-	-	10,439
Sewer maintenance	-	-	24,357
Lighting maintenance	-	-	18,727
Highway and transportation improvement	-	-	7,935
Waste management	-	-	11,378
Emergency care	-	-	3,005
Garbage and fire protection	-	-	12,325
Parks acquisition and development	-	-	1,799
Others	-	-	1,823
Total restricted	130,731	208,795	150,012
<b>Assigned:</b>			
Election software system	196	-	-
Capital projects and improvements	2,496	-	151,252
Public services	6,642	-	1,937
Total assigned	9,334	-	153,189
Unassigned	1,221,199	-	(789)
Total fund balances	\$ 1,413,617	\$ 209,438	\$ 303,031

**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)**  
**For the Fiscal Year Ended June 30, 2020**  
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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 County-wide 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 County-wide 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 County.

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](http://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	On or before 7/5/80
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	5%	3%	5%
	FAC period**	Highest 1 year	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.	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	7/6/80 - 7/12/97
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	3%	3%	3%
	FAC period	Highest 1 year	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.	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	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	Not applicable
	FAC period	Highest 3 years (non-consecutive)	Not applicable	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	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.

(Continued)

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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, 2020 is displayed in the table below.

	Plan 1*	Plan 2*	Plan 3*	Plan 4*	Plan 5	Plan 6	Plan 7	Total
<b>RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS</b>								
General	1,299	2,113	144	970	12	-	12	4,550
Safety	266	242	-	119	3	-	2	632
Probation	95	117	-	59	-	-	1	272
Subtotal	1,660	2,472	144	1,148	15	-	15	5,454
<b>INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)</b>								
General	6	249	70	775	97	-	531	1,728
Safety	1	15	-	45	9	-	20	90
Probation	-	16	-	39	1	-	8	64
Subtotal	7	280	70	859	107	-	559	1,882
<b>CURRENT MEMBERS, VESTED</b>								
General	5	408	52	1,730	177	-	495	2,867
Safety	-	30	-	197	44	-	62	333
Probation	-	12	-	149	8	-	17	186
Subtotal	5	450	52	2,076	229	-	574	3,386
<b>CURRENT MEMBERS, NON-VESTED</b>								
General	-	1	4	9	106	-	1,668	1,788
Safety	-	-	-	1	19	-	169	189
Probation	-	-	-	-	-	-	37	37
Subtotal	-	1	4	10	125	-	1,874	2,014
Total Members	1,672	3,203	270	4,093	476	-	3,022	12,736

\* 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 \$188.4 million and First 5 were \$0.2 million for the year ended June 30, 2020.

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

As of June 30, 2020, the County reported \$582.0 million for its proportionate share of the net pension liability, while First 5 reported \$0.8 million for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2019, 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, 2019. 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 94.60% as of the June 30, 2019 measurement date, which was a decrease of 0.02% from its share measured as of June 30, 2018.

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For the year ended June 30, 2020, the County recognized pension expense of \$231.8 million and First 5 recognized pension expense of \$0.3 million. The County reported \$188.4 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, 2021.

At June 30, 2020, 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
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	\$ 157,362	\$ 30,988	\$ 236
Changes of pension-related assumptions	166,532	33,013	243
Changes in proportionate share of net pension liability	202	40	-
Difference in actual and proportionate share of pension contributions	2,060	411	3
Differences between expected and actual pension experience	75,333	14,950	112
Differences between projected and actual earnings on pension investment	1,578	181	3
Total deferred outflows of resources	<u>\$ 403,067</u>	<u>\$ 79,583</u>	<u>\$ 597</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Difference in actual and proportionate share of pension contributions	\$ 117	\$ 23	\$ -
Differences between projected and actual earnings on pension investment	3	-	-
Total deferred inflows of resources	<u>\$ 120</u>	<u>\$ 23</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>
2021	\$ 100,033	\$ 19,852	\$ 143
2022	47,368	9,348	71
2023	51,464	10,171	77
2024	46,720	9,201	70

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**(c) Actuarial Assumptions**

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

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2019
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 are 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	6.67%
Inflation rate (CPI)	2.50%
Payroll growth rate	3.00%
Mortality	See the valuation report as of June 30, 2019, for details.

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%.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return</b>
Public Equity	40%	4.70%
Fixed Income	26%	0.60%
Alternatives	12%	5.00%
Risk Parity	4%	4.90%
Inflation Hedge	17%	4.60%
Liquidity	1%	-0.10%
<b>Total</b>	<b>100%</b>	

*Discount Rate.* The investment rate of return assumption used to measure the total pension liability was 6.67% as of June 30, 2019, reduced from 6.92% in 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 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

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following presents net pension liability of the County, calculated using the discount rate of 6.67%, 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 (5.67%) or 1 percentage point higher (7.67%) than the current rate.

*(Dollars in Millions)*

	<b>Primary Government</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.67%</b>	<b>6.67%</b>	<b>7.67%</b>
Total pension liability	\$ 5,777.8	\$ 5,043.8	\$ 4,447.3
Fiduciary net position	4,461.8	4,461.8	4,461.8
Net pension liability	1,316.0	582.0	(14.5)

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.67%</b>	<b>6.67%</b>	<b>7.67%</b>
Total pension liability	\$ 8.3	\$ 7.2	\$ 6.4
Fiduciary net position	6.4	6.4	6.4
Net pension liability	1.9	0.8	(0.0)

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

#### **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 \$280 thousand for calendar year 2019. 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, 2020, the County contributed \$349 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, 2020, the County contributed \$0.8 million into the Agile 401a Plan.

#### **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

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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 45 active participants as of June 30, 2020. During the fiscal year ended June 30, 2020, 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, 2019, participant data for the Plan is as follows: 11 retired and beneficiaries, 41 inactive, and 276 active. The Plan does not issue a stand-alone financial report.

As of December 31, 2019, HPSM recognized pension expense of \$1.7 million and established \$0.9 million in net pension asset. Deferred outflows and deferred inflows of resources are reported as follows:

	Health Plan of San Mateo (December 31, 2019)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 33
Differences between expected and actual pension experience	1,272
Total deferred outflows of resources	<u>\$ 1,305</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 182
Differences between expected and actual pension experience	57
Differences between projected and actual earnings on pension investment	1,053
Total deferred inflows of resources	<u>\$ 1,292</u>

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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	HPSM
2020	\$ (153)
2021	71
2022	321
2023	(335)
2024	98
Thereafter	11

The table below summarizes changes in pension (asset) liability for the year ended December 31, 2019:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension (Asset) Liability
Balance at December 31, 2018	\$ 21,388	\$ 20,474	\$ 914
Changes during the year:			
Service cost	1,556	-	1,556
Interest	1,655	-	1,655
Differences between expected and actual experience	562	-	562
Changes of assumptions	37	-	37
Benefit payments	(1,801)	(1,801)	-
Employer contributions	-	1,613	(1,613)
Net investment income	-	4,100	(4,100)
Net changes	2,009	3,912	(1,903)
Balance at December 31, 2019	\$ 23,397	\$ 24,386	\$ (989)

Actuarial assumptions used by HPSM as of December 31, 2019:

Valuation date	12/31/2019
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 Pri-2012 healthy mortality table for males and females, with future mortality improvements projected on a fully generational basis using projection scale MP-2019.
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, 2019.

	HPSM		
	1% Decrease: 6.50%	Current Discount Rate: 7.50%	1% Increase: 8.50%
Net pension liability (asset) as of December 31, 2019	\$ 583	\$ (989)	\$ (2,396)

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**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.

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, 2020, the conversion benefit is as follows per month.

Years of Service at Retirement	County Monthly	Annual Increase	Not to exceed
<15	\$ 440.00	0%	90% of pre-65 Kaiser retiree only premium
15-19	532.65	2%	90% of pre-65 Kaiser retiree only premium
≥20	672.43	4%	90% of pre-65 Kaiser retiree only premium

\* Contribution amount is in dollars.

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

<b>Credit Sick Leave Hours</b>	
<u>Years of Service</u>	<u>Hours</u>
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, 2019 pension valuation for SamCERA.

<b>Membership</b>	
Actives	5,100
Retirees and beneficiaries receiving benefits	2,626

**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.

The contributions for fiscal year ended June 30, 2020, were as follows:

Employer contributions	\$ 21,058
Implicit rate subsidy	<u>7,150</u>
	<u>\$ 28,208</u>

**Net OPEB Liability, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2020, the County reported \$93.0 million of net OPEB liability, while First 5 reported \$0.2 million. 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. The County's portion of the net OPEB liability, which includes First 5 was 98.1% as of June 30, 2019. The remaining portion of 1.9% related to County Library and San Mateo Local Agency Formation Commission (LAFCo), which are not part of the County's reporting entity.

For the year ended June 30, 2020, the County recognized OPEB expense of \$15.2 million and First 5 recognized \$59 thousand. The County reported \$27.6 million and First 5 reported \$0.1 million 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, 2021.

**COUNTY OF SAN MATEO**  
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**(In Thousands)**

At June 30, 2020, 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
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB contributions subsequent to measurement date	\$ 22,951	\$ 4,625	\$ 107
Changes of OPEB-related assumptions	5,848	1,292	12
Differences between expected and actual OPEB experience	2,424	540	4
Differences between projected and actual earnings on OPEB investments	-	7	-
Total deferred outflows of resources	<u>\$ 31,223</u>	<u>\$ 6,464</u>	<u>\$ 123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes of OPEB-related assumptions	\$ 24,355	\$ 5,365	\$ 43
Differences between expected and actual OPEB experience	7,631	1,678	14
Differences between projected and actual earnings on OPEB investments	24	-	2
Total deferred inflows of resources	<u>\$ 32,010</u>	<u>\$ 7,043</u>	<u>\$ 59</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>
2021	\$ (5,887)	\$ (1,291)	\$ (11)
2022	(5,887)	(1,291)	(11)
2023	(5,660)	(1,241)	(10)
2024	(5,987)	(1,314)	(11)
Thereafter	(317)	(67)	-

\* Housing Authority's portion is presented separately.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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*Actuarial Assumptions.* The total OPEB liabilities in the June 30, 2019 actuarial valuation were determined using the information below.

<b>Actuarial Methods and Assumptions</b>	
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%

The House of Representatives 1865 Further Consolidated Appropriations Act, 2020 became law on December 20, 2019. The act repeals the excise tax for high cost or “Cadillac” health plans completely and removes the health insurer fee permanently beginning in 2021. Accordingly, the excise tax is not reflected.

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:

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

*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.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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***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%) that the current rate.

*(Dollars in Millions)*

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
Total OPEB liability	\$ 453.2	\$ 412.8	\$ 377.3
Fiduciary net position	319.8	319.8	319.8
Net OPEB liability	133.4	93.0	57.5

\* Housing Authority's portion is separately presented.

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
Total OPEB liability	\$ 0.8	\$ 0.8	\$ 0.7
Fiduciary net position	0.6	0.6	0.6
Net OPEB liability	0.2	0.2	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 that the current trend rates.

*(Dollars in Millions)*

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Trend Rate:</b>	<b>1% Increase:</b>
Total OPEB liability	\$ 372.1	\$ 412.8	\$ 460.7
Fiduciary net position	319.8	319.8	319.8
Net OPEB liability	52.3	93.0	140.9

\* Housing Authority's portion is separately presented.

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Trend Rate:</b>	<b>1% Increase:</b>
Total OPEB liability	\$ 0.7	\$ 0.8	\$ 0.9
Fiduciary net position	0.6	0.6	0.6
Net OPEB liability	0.1	0.2	0.3

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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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, 2019 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * Liability
Balance at June 30, 2018	\$ 400,539	\$ 298,760	\$ 101,779
Changes for the year:			
Service cost	15,792	-	15,792
Interest on total OPEB liability	27,284	-	27,284
Effect of economic/demographic gains or losses	(198)	-	(198)
Effect of assumptions changes or inputs	529	-	529
Benefit payments	(22,213)	(22,213)	-
Employer contributions	-	29,161	(29,161)
Net investment income	-	21,175	(21,175)
Administrative expenses	-	(148)	148
Net changes	21,194	27,975	(6,781)
Balance at June 30, 2019	\$ 421,733	\$ 326,735	\$ 94,998

\* Of the balance at June 30, 2019, \$93 million belonged to the primary government, \$0.2 million to First 5, and \$1.8 million to the County Library and LAFCo.

**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 five 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, 2020, the Housing Authority has 46 active and 6 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, 2020, the Housing Authority contributed \$92.9 thousand to the trust.

**Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2020, the Housing Authority reported \$0.3 million of net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2020, 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, 2020. For the fiscal year ended June 30, 2020, the Housing Authority recognized OPEB expense of \$90.8 thousand and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Housing Authority
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of OPEB-related assumptions	\$ 165
Differences between expected and actual OPEB experience	15
Differences between projected and actual earnings on OPEB investments	6
Total deferred outflows of resources	\$ 186
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of OPEB-related assumptions	\$ 51
Differences between expected and actual OPEB experience	94
Differences between projected and actual earnings on OPEB investments	11
Total deferred inflows of resources	\$ 156

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
2021	\$ 6
2022	6
2023	4
2024	8
2025	6

The changes in the net OPEB liability as of June 30, 2020 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 1,560	\$ 1,125	\$ 435
Changes recognized for the measurement period:			
Service cost	58	-	58
Interest on total OPEB liability	92	-	92
Effect of economic/demographic gains or losses	(72)	-	(72)
Changes of assumptions	(44)	-	(44)
Employer contributions	-	93	(93)
Net investment income	-	64	(64)
Benefit payments	(23)	(23)	-
Administrative expenses	-	(1)	1
Net changes	11	133	(122)
Balance at June 30, 2020	\$ 1,571	\$ 1,258	\$ 313

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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**Actuarial Assumptions.** The Housing Authority's Plan was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation using the following information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2020
Actuarial assumptions:	
Discount rate	5.75%
Investment rate of return	5.75%
Inflation	2.50%
Payroll growth rate	3.52% - 9.70%
Mortality	PUB-210 healthy and retiree mortality tables for general employees projected using scale MP-2019
Pre-retirement turnover	Derived from 2014 CalPERS experience study
Healthcare trend rate	4.00% - 6.00%

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:

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Expected Arithmetic Nominal Return</b>
Global Equity	22%	7.43%
U.S. Fixed Income	49%	5.09%
Treasury Inflation-Protected Securities	16%	3.24%
Real Estate Investment Trusts	8%	8.25%
Commodities	5%	5.10%
<b>Total</b>	<b>100%</b>	
Expected Arithmetic Return (30 years)		5.85%
Expected Geometric Return (30 years)		5.58%

**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.

	<b>1% Decrease 4.75%</b>	<b>Current Discount Rate 5.75%</b>	<b>1% Increase 6.75%</b>
Net OPEB liability	\$ 478.6	\$ 313.1	\$ 168.2

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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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.

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Net OPEB liability	\$ 150.1	\$ 313.1	\$ 504.1

**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 \$2,000 per incident, but limited to a maximum of \$45,000.
- Workers' compensation in excess of \$1,000 per incident including statutorily required limits.
- Auto liability in excess of \$2,000 per incident, but limited to a maximum of \$45,000.
- 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 \$59.7 million, as reported in the internal service funds at June 30, 2020, 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 \$55.3 million of the \$59.7 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. The County experienced increases in general and auto liability premiums due to a deterioration of California loss experience for public entities, thus the County reduced its coverage in FY 2019-20 as compared to prior fiscal year by 18%.

Changes to the claims liability for FY 2018-19 and FY 2019-20 are as follows:

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
Current year claims and changes in estimates		27,070
Payments on claims		(24,164)
Liability at June 30, 2020	\$	59,652

**COUNTY OF SAN MATEO**  
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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, 2020, the Housing Authority paid \$0.2 million 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, 2020, the County’s General Fund had a total of \$28.3 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, 2020, 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 Risk**

Receivables from federal and State government agencies represent total \$254.2 million at June 30, 2020, 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, also known as Federal Financial Participation (FFP). The level of FFP is calculated using the Federal Medical Assistance Percentage (FMAP) published annually by the Department of Health and Human Services. During the COVID-19 pandemic, the FMAP was increased from 50% to 62.5% for certain programs. 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 approximately 10,000 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

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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 for services to draw down federal financial participation (FFP) calculated using the 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, 2020, the Medical Center's P14 cost reports have undergone by DHCS audit except for FY19. CMS requires audits of the DHS, SNCP, and SPA PNPP portions separately. Audits for the program year FY11-FY19 for these sections are in process and expected to be closed in FY21.

The Medi-Cal 2020 Waiver features four programs that aim to improve care for the State's Medi-Cal and remaining uninsured patients. Most programs will help California's public health care systems better succeed in their dual missions of fulfilling their safety net roles while competing in the marketplace. The Medi-Cal 2020 Waiver is effective through December 31, 2020. In Fall 2019, DHCS began a stakeholder engagement process for the development of the next 1115 waiver renewal application and program elements, called CalAIM. DHCS postponed the CalAIM implementation due to the COVID-19 pandemic and has shifted its focus to extending Medi-Cal 2020 waiver. Management cannot predict the ultimate outcome of the waiver extension process and therefore the related financial impact cannot be reasonably estimated at this time.

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 Judgment 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 \$57.7 million in FY20 from HPSM, which includes \$56.8 million in FFS revenue, \$0.7 million in primary care capitation revenue, and \$0.5 million for pay-for-performance (P4P) revenue. The

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
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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.

**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, 2020, the last Medical Center Medicare cost report audited by the fiscal intermediary was for June 30, 2017. 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, 2020, 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 anticipated that counties' costs and responsibilities for the health care services for the indigent population would decrease as much of this population became 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 is 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 FY20, the Medical Center recognized \$31.4 million in additional AB 85 realignment revenues for estimated revisions to calculated apportionments to the Medical Center based on associated costs, reduced by \$5.1 million based on FY17 audit results.

#### **Medical Center Net Charges for Services**

The Medical Center provides healthcare services primarily to County residents. Net charges for 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 \$56.7 million for the year ended June 30, 2020. 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 \$82.5 million for the year ended June 30, 2020. Net charity charges over costs for the year ended June 30, 2020, amounted to \$25.8 million.

**COUNTY OF SAN MATEO**  
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**For the Fiscal Year Ended June 30, 2020**  
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**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 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, 2020 related to an option to purchase land from Daly City. The Housing Authority exercised its right to purchase the property in September 2020 for \$0.8 million.

**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. On June 26, 2020, the Appeals Court ruled in favor of Genentech, remanding the matter to the Superior Court for further disposition. Genentech has also filed separate claims against the County related to the AAB's decision. That act still has no trial date. Even if the Assessor prevails in 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**

**Amending the San Mateo County Flood Control District Act**

Prior to January 1, 2020, the San Mateo County Flood Control District Act established the San Mateo County Flood Control District for the purpose of controlling the floodwater and stormwater of the County of San Mateo. This act authorized the Board of Supervisors of the County of San Mateo to be the Board of Supervisors of the Flood Control District, and assigned specified powers and duties to the Flood Control District.

On September 12, 2019, Assembly Bill No. 825 was approved to rename the Flood Control District to the San Mateo County Flood and Sea Level Rise Resiliency District (Flood and Sea LRR District) and added addressing and protecting against the impacts of sea level rise to the powers of the district. Beginning January 1, 2020, the Flood and Sea LRR District is governed by its own board of directors, as provided, which replaced the Board of Supervisors of the County of San Mateo. As such, the Flood Control District is no longer a component unit of the County. As of January 1, 2020, all assets and liabilities of the Flood Control District including land, easement, infrastructure, work-in-progress, cash and investments, and revenue refunding bonds were transferred to the Flood and Sea LRR District.

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**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

For financial reporting purposes, the balances as of January 1, 2020 that were transferred to the Flood and Sea LRR District are summarized below:

Flood Control District fund balance	\$ (28,723)
Government-wide long-term assets, liabilities, and deferred inflows of resources:	
Net book value of capital assets	\$ (28,732)
Revenue refunding bonds	16,135
Bond premium	2,191
Deferred gain on refunding	41
Total long-term balances	(10,365)
Total special item	\$ (39,088)

**NOTE 18 – SUBSEQUENT EVENTS**

**Coronavirus disease (COVID-19)**

COVID-19 will continue to impact the County’s FY 20-21 revenues and expenditures, however, it is difficult to project the full impact until a full health and economic impacts of the global pandemic are known.

In June 2020, the County projected a FY20-21 budget deficit of approximately \$65 million to \$100 million in lost taxes and realignment. As such, the County has delayed numerous capital projects, including energy upgrades and building renovation projects, leading to a rollover of \$49.5 million in unspent funds from the previous fiscal year. The County proposed to increase its budget by 16 percent higher in June 2020 as the impacts of the pandemic's shutdown and the need for increased public health and safety programs were still largely developing. On September 29, 2020, the County Board of Supervisors adopted a revised \$3.7 billion budget that included an estimated \$180 million in increased County spending to help pay for the response to the COVID-19 pandemic.

The increased expenditures, to an extent, are expected to be funded with Coronavirus Aid, Relief, and Economic Security (CARES) Act funds from the federal and State governments to the County for COVID-19 public health and safety activities, and public assistance funds from the Federal Emergency Management Agency and the California Disaster Assistance Act.

**CZU Lightning Fire Complex**

On August 16, 2020, the County experienced a major wildfire which was declared a major disaster at both Federal and State levels. The wildfire known as CZU Lightning Fire Complex (CZU Fire) started in San Mateo and Santa Cruz counties and was fully contained on September 22, 2020. The CZU Fire burned 86,509 acres and destroyed 1,490 structures which are mostly in Santa Cruz County. Damages in San Mateo County are estimated to be \$1.5 billion of private property and timbers, and \$2 million of public road and culverts. Expenditures related to emergency protective measures, debris removal, and permanent work will be substantial; however, the additional expenses, to an extent, will be mitigated by recoveries through federal public assistance funds and California Disaster Assistance Act funds.



**Required Supplementary Information**  
**(Unaudited)**

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
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**(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, 2020, 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 2019-20.

PCI Condition Rating	2020		2019		2018	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
<b>Primary:</b>						
Good to excellent (55-100)	147.58	94.1%	146.10	93.2%	146.96	93.7%
Substandard to fair (0-54)	9.27	5.9%	10.58	6.8%	9.91	6.3%
Total	<u>156.85</u>	<u>100.0%</u>	<u>156.68</u>	<u>100.0%</u>	<u>156.87</u>	<u>100.0%</u>
<b>Secondary:</b>						
Fair to excellent (40-100)	140.44	88.2%	140.57	88.1%	139.01	87.2%
Substandard (0-39)	18.86	11.8%	18.97	11.9%	20.36	12.8%
Total	<u>159.30</u>	<u>100.0%</u>	<u>159.54</u>	<u>100.0%</u>	<u>159.37</u>	<u>100.0%</u>

For the fiscal year ended June 30, 2020, the estimated maintenance and preservation cost exceeded the actual costs by \$445. The variance was primarily due to decreased spending required for the maintenance and preservation work.

Fiscal Year Ended June 30,	Maintenance and Preservation Cost		Variance
	Estimated	Actual	
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)
2020	6,076	5,631	445

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

**2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<b>2020</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	75.32%	19.14%	0.14%	94.60%
County's proportionate share of the collective net pension liability	\$ 464,081	\$ 117,936	\$ 835	\$ 582,852
County's covered payroll	420,854	103,335	688	524,877
County's proportionate share of the collective net pension liability as a percentage of covered payroll	110.27%	114.13%	121.30%	111.05%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%
	<b>2019</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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	413,793	93,007	616	507,416
County's proportionate share of the collective net pension liability as a percentage of covered payroll	89.53%	97.81%	98.37%	91.06%
Plan fiduciary net position as a percentage of the total pension liability	89.96%	89.96%	89.96%	89.96%
	<b>2018</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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	399,906	83,099	552	483,557
County's proportionate share of the collective net pension liability as a percentage of covered payroll	111.52%	120.63%	120.33%	113.10%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	87.49%	87.49%	87.49%
	<b>2017</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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	372,001	75,220	496	447,717
County's proportionate share of the collective net pension liability as a percentage of covered payroll	150.20%	154.35%	155.44%	150.90%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	83.25%	83.25%	83.25%
	<b>2016</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2015</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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, 6.92% as of June 30, 2017 and June 30, 2018, and was reduced to 6.67% as of June 30, 2019.

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, 2020**  
**(In Thousands)**

**3. SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION PLAN**

	<b>2020</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
Contractually required contributions	\$ 157,362	\$ 30,988	\$ 236	\$ 188,586
Contributions in relation to the contractually required contribution	157,362	30,988	236	188,586
Contribution deficiency (excess)	-	-	-	-
Covered payroll	446,899	113,569	804	561,272
Contributions as a percentage of covered payroll	35.21%	27.29%	29.35%	33.60%
	<b>2019</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2018</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2017</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2016</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2015</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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%
	<b>2014</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
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, 2020**  
**(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.

<b>Actuarial Valuation (For Funding Purposes)</b>				
Valuation date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	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 are 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%	6.75%	7.00%	7.25%
Inflation rate (CPI)	2.50%	2.50%	2.75%	3.00%
Annual projected salary increases	3.00%	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, 2020**  
**(In Thousands)**

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

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 1,556	\$ 1,409	\$ 1,343	\$ 1,187	\$ 1,253
Interest	1,655	1,494	1,369	1,265	1,284
Differences between expected and actual experience	562	580	642	365	(460)
Changes of assumptions	37	(2)	1	4	(1,472)
Benefit payments	(1,801)	(1,169)	(2,335)	(875)	(709)
Net change in total pension liability	2,009	2,312	1,020	1,946	(104)
Total pension liability beginning of year	21,388	19,076	18,056	16,110	16,214
Total pension liability end of year (a)	<u>\$ 23,397</u>	<u>\$ 21,388</u>	<u>\$ 19,076</u>	<u>\$ 18,056</u>	<u>\$ 16,110</u>
<b>Plan fiduciary net pension</b>					
Contributions	1,613	1,397	1,313	1,164	1,459
Net investment income	4,100	(1,086)	2,921	1,401	(71)
Benefit payments	(1,801)	(1,169)	(2,335)	(875)	(709)
Net change in Plan fiduciary net position	3,912	(858)	1,899	1,690	679
Plan fiduciary net position beginning of year	20,474	21,332	19,433	17,743	17,064
Plan fiduciary net position end of year (b)	<u>\$ 24,386</u>	<u>\$ 20,474</u>	<u>\$ 21,332</u>	<u>\$ 19,433</u>	<u>\$ 17,743</u>
<b>Net pension liability (asset) end of year</b>					
Plan's net pension liability (asset) (a) - (b)	\$ (989)	\$ 914	\$ (2,256)	\$ (1,377)	\$ (1,633)
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.2%	95.7%	111.8%	107.6%	110.1%
Covered payroll	\$ 23,368	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,554
Net pension liability (asset) as a percentage of covered payroll	-4.23%	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**

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,613	\$ 1,397	\$ 1,313	\$ 1,164	\$ 1,437
Contributions related to actuarially determined contribution	1,613	1,397	1,313	1,164	1,459
Contribution deficiency (excess)	-	-	-	-	(22)
Covered payroll	\$ 23,368	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,536
Contributions as a percentage of covered payroll	6.90%	6.29%	6.54%	6.41%	8.82%
	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,368	\$ 1,322	\$ 1,382	\$ 1,192	\$ 1,149
Contributions related to actuarially determined contribution	1,333	1,362	1,440	1,156	1,124
Contribution deficiency (excess)	35	(40)	(58)	36	25
Covered payroll	\$ 15,990	\$ 14,769	\$ 13,203	\$ 12,680	\$ 11,486
Contributions as a percentage of covered payroll	8.34%	9.22%	10.91%	9.12%	9.79%

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2020**  
**(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.

	FY 19-20	FY 18-19	FY 17-18
<b>Total OPEB liability</b>			
Service cost	\$ 15,792	\$ 15,531	\$ 16,688
Interest on total OPEB liability	27,284	25,033	28,031
Effect of economic/demographic gains or losses	(198)	4,193	(15,855)
Effect of assumptions changes or inputs	529	9,473	(51,538)
Benefit payments	(22,213)	(19,913)	(21,496)
<b>Net change in total OPEB liability</b>	21,194	34,317	(44,170)
<b>Total OPEB liability - beginning</b>	400,539	366,222	410,392
<b>Total OPEB liability - ending (a)</b>	<u>\$ 421,733</u>	<u>\$ 400,539</u>	<u>\$ 366,222</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 29,161	\$ 24,579	\$ 29,945
Net investment income	21,175	16,786	18,552
Benefit payments	(22,213)	(19,913)	(21,496)
Administrative expenses	(148)	(142)	(124)
<b>Net change in plan fiduciary net position</b>	27,975	21,310	26,877
<b>Plan fiduciary net position - beginning</b>	298,760	277,450	250,573
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 326,735</u>	<u>\$ 298,760</u>	<u>\$ 277,450</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 94,998</u>	<u>\$ 101,779</u>	<u>\$ 88,772</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	77.47%	74.59%	75.76%
<b>Covered payroll</b>	\$ 611,331	\$ 585,556	\$ 561,429
<b>Net OPEB liability as a percentage of covered payroll</b>	15.54%	17.38%	15.81%

**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 and June 30, 2020.

*Net OPEB Liability* – The County's portion was \$93.2 million, or 98.06% as of June 30, 2020, \$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, 2020**  
**(In Thousands)**

**7. SCHEDULE OF OPEB CONTRIBUTIONS**

	FY 19-20	FY 18-19	FY 17-18	FY 16-17
Actuarially determined contribution	\$ 25,905	\$ 25,221	\$ 23,579	\$ 29,945
Contributions in relation to the actuarially determined contribution	28,208	29,161	24,579	29,945
Contribution deficiency (excess)	<u>\$ (2,303)</u>	<u>\$ (3,940)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>
Covered payroll	\$ 644,963	\$ 611,331	\$ 585,556	\$ 561,429
Contributions as a percentage of covered payroll	4.37%	4.77%	4.20%	5.33%

**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.

<b>Actuarial Valuation (For Funding Purposes)</b>			
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, 2020**  
**(In Thousands)**

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

	<u>FY 19-20</u>	<u>FY 18-19</u>	<u>FY 17-18</u>
<b>Total OPEB liability</b>			
Service cost	\$ 58	\$ 30	\$ 31
Interest on total OPEB liability	92	76	71
Effect of economic/demographic gains or losses	(72)	(40)	27
Effect of assumptions changes or inputs	(44)	214	(22)
Benefit payments	(23)	(13)	(36)
<b>Net change in total OPEB liability</b>	<u>11</u>	<u>267</u>	<u>71</u>
<b>Total OPEB liability - beginning</b>	<u>1,560</u>	<u>1,293</u>	<u>1,222</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 1,571</u></u>	<u><u>\$ 1,560</u></u>	<u><u>\$ 1,293</u></u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 93	\$ 52	\$ 55
Net investment income	64	77	44
Benefit payments	(23)	(13)	(6)
Administrative expenses	(1)	(1)	(1)
<b>Net change in plan fiduciary net position</b>	<u>133</u>	<u>115</u>	<u>92</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,125</u>	<u>1,010</u>	<u>918</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 1,258</u></u>	<u><u>\$ 1,125</u></u>	<u><u>\$ 1,010</u></u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u><u>\$ 313</u></u>	<u><u>\$ 435</u></u>	<u><u>\$ 283</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	80.07%	72.10%	78.08%
<b>Covered payroll</b>	\$ 3,949	\$ 3,644	\$ 3,351
<b>Net OPEB liability as a percentage of covered payroll</b>	7.93%	11.94%	8.45%

**9. HOUSING AUTHORITY’S SCHEDULE OF CONTRIBUTIONS**

	<u>FY 19-20</u>	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>
Actuarially determined contribution	\$ 93	\$ 52	\$ 55	\$ 46
Contributions in relation to the actuarially determined contribution	<u>93</u>	<u>52</u>	<u>55</u>	<u>46</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 3,949	\$ 3,644	\$ 3,351	\$ 3,314
Contributions as a percentage of covered payroll	2.36%	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, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 598,550	\$ 598,550	\$ -	\$ 432,182	\$ (166,368)
<b>Resources (inflows):</b>					
Taxes	717,683	720,779	3,096	758,111	37,332
Licenses and permits	7,277	7,277	-	7,145	(132)
Fines, forfeitures and penalties	6,410	6,410	-	5,710	(700)
Use of money and property	19,177	19,177	-	40,951	21,774
Intergovernmental revenues	524,154	602,730	78,576	552,678	(50,052)
Charges for services	169,244	169,067	(177)	157,884	(11,183)
Interfund revenue	83,580	84,167	587	(3,382)	(87,549)
Miscellaneous revenue	26,528	29,984	3,456	28,743	(1,241)
Other financing sources	17,286	17,292	6	19,291	1,999
Non-County Revenues	-	-	-	7,400	7,400
Amounts available for appropriation	1,571,339	1,656,883	85,544	1,574,531	(82,352)
<b>General Government</b>					
<b>Board of Supervisors - Special Projects</b>					
Salaries and benefits	4,611	4,611	-	4,192	419
Services and supplies	391	391	-	226	165
Other charges	407	407	-	319	88
Other financing uses	16	16	-	15	1
Intrafund transfers	(77)	(77)	-	-	(77)
Total Board of Supervisors - Special Projects	5,348	5,348	-	4,752	596
<b>County Manager/Clerk of the Board</b>					
Salaries and benefits	10,346	10,346	-	9,743	603
Services and supplies	16,192	17,232	1,040	7,354	9,878
Other charges	1,183	1,187	4	1,189	(2)
Capital assets	-	2	2	-	2
Other financing uses	19	19	-	42	(23)
Intrafund transfers	(4,303)	(4,303)	-	(2,772)	(1,531)
Contingencies	3,507	3,507	-	-	3,507
Total County Manager/Clerk of the Board	26,944	27,990	1,046	15,556	12,434
<b>Special Services</b>					
Salaries and benefits	899	899	-	832	67
Services and supplies	522	522	-	202	320
Other charges	19,560	20,163	603	20,153	10
Other financing uses	28	28	-	26	2
Intrafund transfers	(17,406)	(18,009)	(603)	(17,490)	(519)
Contingencies	903	903	-	-	903
Total Special Services	4,506	4,506	-	3,723	783
<b>CMO Revenue Services</b>					
Salaries and benefits	3,171	3,076	(95)	3,018	58
Services and supplies	436	657	221	721	(64)
Other charges	374	374	-	416	(42)
Other financing uses	15	15	-	15	-
Intrafund transfers	(2,598)	(2,724)	(126)	(2,109)	(615)
Contingencies	91	91	-	-	91
Total CMO Revenue Services	1,489	1,489	-	2,061	(572)

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Assessor-Clerk-Recorder</b>					
Salaries and benefits	26,000	26,000	-	24,557	1,443
Services and supplies	29,358	29,508	150	9,914	19,594
Other charges	2,198	2,497	299	2,404	93
Capital assets	9,623	10,109	486	1,346	8,763
Other financing uses	539	539	-	511	28
Intrafund transfers	(27,544)	(27,994)	(450)	(10,381)	(17,613)
Contingencies	1,431	1,431	-	-	1,431
Total Assessor-Clerk-Recorder	41,605	42,090	485	28,351	13,739
<b>Controller's Office</b>					
Salaries and benefits	10,118	10,118	-	8,952	1,166
Services and supplies	3,995	3,995	-	2,231	1,764
Other charges	2,844	2,844	-	1,700	1,144
Other financing uses	183	183	-	174	9
Intrafund transfers	(1,781)	(1,781)	-	(735)	(1,046)
Contingencies	1,348	1,348	-	-	1,348
Total Controller's Office	16,707	16,707	-	12,322	4,385
<b>Tax Collector/Treasurer</b>					
Salaries and benefits	6,136	6,136	-	3,850	2,286
Services and supplies	7,840	7,840	-	5,973	1,867
Other charges	2,154	2,154	-	714	1,440
Capital assets	140	140	-	-	140
Other financing uses	172	172	-	159	13
Intrafund transfers	(300)	(300)	-	(128)	(172)
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	16,409	16,409	-	10,568	5,841
<b>County Counsel</b>					
Salaries and benefits	13,237	13,237	-	12,883	354
Services and supplies	1,386	1,386	-	884	502
Other charges	727	727	-	657	70
Other financing uses	26	26	-	25	1
Intrafund transfers	(2,879)	(2,879)	-	(2,438)	(441)
Contingencies	6,001	6,001	-	-	6,001
Total County Counsel	18,498	18,498	-	12,011	6,487
<b>Human Resources</b>					
Salaries and benefits	15,800	15,800	-	14,112	1,688
Services and supplies	3,916	3,916	-	2,000	1,916
Other charges	1,849	1,849	-	1,590	259
Other financing uses	712	712	-	74	638
Intrafund transfers	(2,326)	(2,326)	-	(1,120)	(1,206)
Contingencies	545	545	-	-	545
Total Human Resources	20,496	20,496	-	16,656	3,840
<b>Information Services</b>					
Salaries and benefits	30,073	30,073	-	27,648	2,425
Services and supplies	46,433	35,334	(11,099)	17,652	17,682
Other charges	2,560	13,380	10,820	2,686	10,694
Capital assets	3,705	3,929	224	985	2,944
Other financing uses	320	375	55	352	23
Intrafund transfers	(53,598)	(53,598)	-	(32,511)	(21,087)
Contingencies	7,899	7,899	-	-	7,899
Total Information Services	37,392	37,392	-	16,812	20,580

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Public Works</b>					
Salaries and benefits	33,944	34,049	105	28,529	5,520
Services and supplies	24,789	25,829	1,040	18,923	6,906
Other charges	7,242	7,264	22	5,252	2,012
Capital assets	14	14	-	6	8
Other financing uses	610	892	282	864	28
Intrafund transfers	(27,832)	(27,832)	-	(27,361)	(471)
Contingencies	11,566	10,866	(700)	-	10,866
Total Public Works	50,333	51,082	749	26,213	24,869
<b>Non-Departmental Services</b>					
Salaries and benefits	29,881	29,881	-	6,091	23,790
Services and supplies	71,877	154,722	82,845	100,206	54,516
Other charges	38,171	40,644	2,473	25,441	15,203
Capital assets	7,000	13,910	6,910	1,768	12,142
Other financing uses	128,797	130,927	2,130	52,330	78,597
Intrafund transfers	(484)	(484)	-	(794)	310
Contingencies	159,502	142,662	(16,840)	-	142,662
Total Non-Departmental Services	434,744	512,262	77,518	185,042	327,220
<b>Total General Government</b>	674,471	754,269	79,798	334,067	420,202
<b>Public Protection</b>					
<b>Public Safety Communication</b>					
Salaries and benefits	15,277	15,277	-	13,521	1,756
Services and supplies	5,276	5,276	-	(735)	6,011
Other charges	1,279	1,279	-	784	495
Capital assets	577	577	-	854	(277)
Other financing uses	69	69	-	56	13
Intrafund transfers	(620)	(620)	-	(326)	(294)
Contingencies	1,047	1,047	-	-	1,047
Total Public Safety Communication	22,905	22,905	-	14,154	8,751
<b>Agricultural Commissioner</b>					
Salaries and benefits	5,605	5,605	-	4,900	705
Services and supplies	1,046	1,046	-	700	346
Other charges	744	744	-	576	168
Other financing uses	4	4	-	4	-
Contingencies	356	356	-	-	356
Total Agricultural Commission	7,755	7,755	-	6,180	1,575
<b>Grand Jury</b>					
Services and supplies	124	124	-	113	11
Total Grand Jury	124	124	-	113	11
<b>Message Switch</b>					
Services and supplies	490	490	-	395	95
Other charges	208	208	-	195	13
Capital assets	72	72	-	-	72
Intrafund transfers	(202)	(202)	-	(202)	-
Contingencies	876	876	-	-	876
Total Message Switch	1,444	1,444	-	388	1,056

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Criminal Division</b>					
Salaries and benefits	33,522	33,494	(28)	31,212	2,282
Services and supplies	3,352	3,352	-	855	2,497
Other charges	2,162	2,162	-	2,005	157
Capital assets	-	28	28	28	-
Other financing uses	155	155	-	152	3
Intrafund transfers	(515)	(515)	-	(150)	(365)
Contingencies	5,377	5,377	-	-	5,377
Total Criminal Division	44,053	44,053	-	34,102	9,951
<b>Child Support Services</b>					
Salaries and benefits	11,201	11,001	(200)	10,283	718
Services and supplies	487	687	200	475	212
Other charges	730	730	-	638	92
Other financing uses	264	264	-	255	9
Intrafund transfers	(431)	(431)	-	-	(431)
Total Child Support Services	12,251	12,251	-	11,651	600
<b>County Support of Courts</b>					
Salaries and benefits	8	8	-	-	8
Services and supplies	1,589	1,589	-	1,571	18
Other charges	19,412	21,252	1,840	20,700	552
Other financing uses	8	8	-	5	3
Intrafund transfers	-	(1,840)	(1,840)	-	(1,840)
Total County Support of Courts	21,017	21,017	-	22,276	(1,259)
<b>Private Defender Program</b>					
Services and supplies	19,500	19,500	-	18,724	776
Other charges	26	26	-	21	5
Other financing uses	37	37	-	37	-
Total Private Defender Program	19,563	19,563	-	18,782	781
<b>Sheriff</b>					
Salaries and benefits	192,895	193,279	384	188,982	4,297
Services and supplies	26,568	27,572	1,004	24,189	3,383
Other charges	24,981	24,457	(524)	23,132	1,325
Capital assets	3,389	4,281	892	10,107	(5,826)
Other financing uses	22,170	22,694	524	22,133	561
Intrafund transfers	(5,037)	(5,037)	-	(7,247)	2,210
Contingencies	13,290	13,290	-	-	13,290
Total Sheriff	278,256	280,536	2,280	261,296	19,240
<b>Probation</b>					
Salaries and benefits	70,809	70,809	-	58,174	12,635
Services and supplies	6,879	6,889	10	5,586	1,303
Other charges	10,787	10,787	-	9,761	1,026
Capital assets	3,020	3,020	-	102	2,918
Other financing uses	6,567	6,567	-	6,530	37
Intrafund transfers	(133)	(133)	-	(173)	40
Contingencies	11,519	11,519	-	-	11,519
Total Probation	109,448	109,458	10	79,980	29,478

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Coroner's Office</b>					
Salaries and benefits	2,441	2,393	(48)	2,393	-
Services and supplies	768	919	151	919	-
Other charges	446	403	(43)	403	-
Capital assets	51	-	(51)	-	-
Other financing uses	17	19	2	18	1
Intrafund transfers	(22)	(22)	-	(23)	1
Contingencies	115	109	(6)	-	109
Total Coroner's Office	3,816	3,821	5	3,710	111
<b>Fire Protection</b>					
Salaries and benefits	1	1	-	1	-
Services and supplies	14,309	14,309	-	10,745	3,564
Other charges	777	777	-	469	308
Capital assets	3,840	3,840	-	514	3,326
Other financing uses	403	403	-	320	83
Intrafund transfers	24	24	-	-	24
Total Fire Protection	19,354	19,354	-	12,049	7,305
<b>Planning</b>					
Salaries and benefits	11,492	11,492	-	9,558	1,934
Services and supplies	4,972	4,972	-	1,199	3,773
Other charges	1,183	1,183	-	989	194
Capital assets	25	25	-	-	25
Other financing uses	52	52	-	50	2
Intrafund transfers	(2,772)	(2,772)	-	(336)	(2,436)
Contingencies	1,191	1,191	-	-	1,191
Total Planning	16,143	16,143	-	11,460	4,683
<b>Office of Sustainability</b>					
Salaries and benefits	5,389	5,369	(20)	3,794	1,575
Services and supplies	8,551	9,539	988	5,317	4,222
Other charges	1,091	1,041	(50)	542	499
Capital assets	-	50	50	32	18
Other financing uses	21	21	-	20	1
Intrafund transfers	(615)	(615)	-	-	(615)
Contingencies	1,805	1,805	-	-	1,805
Total Office of Sustainability	16,242	17,210	968	9,705	7,505
<b>Total Public Protection</b>	572,371	575,634	3,263	485,846	89,788
<b>Health and Sanitation</b>					
<b>Health Services Administration</b>					
Salaries and benefits	6,136	6,136	-	6,039	97
Services and supplies	1,763	1,763	-	1,279	484
Other charges	8,411	8,411	-	392	8,019
Other financing uses	6	6	-	7,889	(7,883)
Intrafund transfers	(2,738)	(2,738)	-	(2,762)	24
Contingencies	404	404	-	-	404
Total Health Services Administration	13,982	13,982	-	12,837	1,145

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Health Coverage Unit</b>					
Salaries and benefits	3,922	3,922	-	3,584	338
Services and supplies	3,984	3,984	-	1,508	2,476
Other charges	205	205	-	170	35
Capital assets	135	135	-	-	135
Contingencies	201	201	-	-	201
Total Health Coverage Unit	8,447	8,447	-	5,262	3,185
<b>Health Policy Plan Promotion</b>					
Salaries and benefits	25,201	25,201	-	22,625	2,576
Services and supplies	14,155	13,686	(469)	12,577	1,109
Other charges	2,468	2,468	-	2,439	29
Capital assets	196	196	-	43	153
Other financing uses	28	527	499	36	491
Intrafund transfers	(4,060)	(4,060)	-	(1,628)	(2,432)
Contingencies	770	770	-	-	770
Total Health Policy Plan Promotion	38,758	38,788	30	36,092	2,696
<b>Health IT</b>					
Salaries and benefits	6,508	7,418	910	5,153	2,265
Services and supplies	5,348	5,728	380	3,632	2,096
Other charges	487	497	10	495	2
Capital assets	-	-	-	7	(7)
Intrafund transfers	(5,287)	(6,587)	(1,300)	(4,230)	(2,357)
Contingencies	677	677	-	-	677
Total Health IT	7,733	7,733	-	5,057	2,676
<b>Emergency Medical Services</b>					
Salaries and benefits	2,296	2,516	220	2,318	198
Services and supplies	6,756	8,106	1,350	6,946	1,160
Other charges	395	395	-	363	32
Capital assets	100	100	-	-	100
Contingencies	326	326	-	-	326
Total Emergency Medical Services	9,873	11,443	1,570	9,627	1,816
<b>Contributions to Medical Center</b>					
Services and supplies	44	44	-	-	44
Other charges	-	-	-	14,978	(14,978)
Other financing uses	58,122	58,122	-	58,122	-
Total Contributions to Medical Center	58,166	58,166	-	73,100	(14,934)
<b>Environmental Health Services</b>					
Salaries and benefits	15,032	14,932	(100)	13,930	1,002
Services and supplies	2,986	3,086	100	2,335	751
Other charges	1,680	1,680	-	1,333	347
Other financing uses	3	3	-	3	-
Intrafund transfers	(553)	(553)	-	(55)	(498)
Contingencies	470	470	-	-	470
Total Environmental Health Services	19,618	19,618	-	17,546	2,072
<b>Behavioral Health Services</b>					
Salaries and benefits	90,509	90,509	-	83,220	7,289
Services and supplies	84,783	84,723	(60)	75,233	9,490
Other charges	57,032	57,032	-	51,416	5,616
Other financing uses	383	483	100	420	63
Intrafund transfers	(2,227)	(2,227)	-	(1,534)	(693)
Contingencies	3,959	3,959	-	-	3,959
Total Behavioral Health Services	234,439	234,479	40	208,755	25,724

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Family Health Services</b>					
Salaries and benefits	33,184	33,184	-	28,149	5,035
Services and supplies	3,328	3,328	-	2,366	962
Other charges	2,406	2,406	-	2,393	13
Capital assets	83	83	-	-	83
Other financing uses	3	3	-	3	-
Intrafund transfers	(2,980)	(2,980)	-	(1,728)	(1,252)
Contingencies	1,147	1,147	-	-	1,147
Total Family Health Services	37,171	37,171	-	31,183	5,988
<b>Correctional Health Services</b>					
Salaries and benefits	18,749	19,620	871	19,620	-
Services and supplies	8,126	7,556	(570)	7,071	485
Other charges	903	932	29	871	61
Capital assets	679	349	(330)	9	340
Intrafund transfers	(3,379)	(3,379)	-	(3,218)	(161)
Contingencies	402	402	-	-	402
Total Correctional Health Services	25,480	25,480	-	24,353	1,127
<b>Total Health and Sanitation</b>	453,667	455,307	1,640	423,812	31,495
<b>Public Assistance</b>					
<b>Aging &amp; Adult Services</b>					
Salaries and benefits	24,362	24,362	-	22,018	2,344
Services and supplies	6,683	5,893	(790)	4,154	1,739
Other charges	8,512	9,372	860	7,336	2,036
Other financing uses	17	17	-	12	5
Intrafund transfers	(2,617)	(2,617)	-	(2,365)	(252)
Contingencies	742	742	-	-	742
Total Aging & Adult Services	37,699	37,769	70	31,155	6,614
<b>In Home Support Services - Public Authority</b>					
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	-
<b>Human Services Agency</b>					
Salaries and benefits	123,153	122,873	(280)	106,485	16,388
Services and supplies	91,661	92,559	898	63,531	29,028
Other charges	64,914	63,912	(1,002)	51,177	12,735
Capital assets	920	920	-	450	470
Other financing uses	2,385	3,535	1,150	1,918	1,617
Intrafund transfers	(34,251)	(34,251)	-	(27,720)	(6,531)
Contingencies	26,277	26,277	-	-	26,277
Total Human Services Agency	275,059	275,825	766	195,841	79,984
<b>Department of Housing</b>					
Salaries and benefits	3,492	3,492	-	2,668	824
Services and supplies	823	823	-	478	345
Other charges	68,700	68,700	-	18,720	49,980
Intrafund transfers	(3,308)	(3,308)	-	(3,213)	(95)
Contingencies	37	37	-	-	37
Total Department of Housing	69,744	69,744	-	18,653	51,091
<b>Total Public Assistance</b>	386,204	387,040	836	249,351	137,689

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Recreation</b>					
<b>Parks &amp; Recreation</b>					
Salaries and benefits	12,954	12,954	-	11,917	1,037
Services and supplies	9,021	7,787	(1,234)	5,325	2,462
Other charges	2,617	3,256	639	2,958	298
Capital assets	1,097	1,267	170	610	657
Other financing uses	247	679	432	679	-
Intrafund transfers	(364)	(364)	-	(177)	(187)
Contingencies	2,460	2,460	-	-	2,460
Total Parks & Recreation	<u>28,032</u>	<u>28,039</u>	<u>7</u>	<u>21,312</u>	<u>6,727</u>
<b>Total Recreation</b>	<u>28,032</u>	<u>28,039</u>	<u>7</u>	<u>21,312</u>	<u>6,727</u>
<b>Contingencies</b>					
Contingencies	55,144	55,144	-	-	55,144
<b>Total Contingencies</b>	<u>55,144</u>	<u>55,144</u>	<u>-</u>	<u>-</u>	<u>55,144</u>
Total charges to appropriations	<u>2,169,889</u>	<u>2,255,433</u>	<u>85,544</u>	<u>1,514,388</u>	<u>741,045</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,325</u>	<u>\$ 492,325</u>

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(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)	\$ 1,574,531
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	3,382
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(19,291)
Receipts from County Agency subfunds are not budgeted but are reported as General Fund revenues for financial reporting purposes.	<u>27,798</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 28)	<u><u>\$ 1,586,420</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)	\$ 1,514,388
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.	3,382
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.	13,512
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(201,952)
Disbursements from sub-funds classified from County Agency Fund, not budgeted.	<u>(108,162)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 28)	<u><u>\$ 1,221,168</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, 2020**  
**(In Thousands)**

**BUDGETARY BASIS OF ACCOUNTING**

Under State law, the County is required to adopt a balanced budget by October 2<sup>nd</sup> 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.

Contribution to Medical Center budget unit included actual amount of \$14.9 million not budgeted due to intergovernmental revenues accrual. County Support of Courts and CMO Revenue Services budget units included interfund transfers whereas there were no actual expenditures which caused negative variance of \$1.2 million and \$0.6 million, respectively.



## **Combining and Individual Fund Statements and Schedules**



## Nonmajor Governmental Funds

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(In Thousands)**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 128,160	\$ -	\$ 163,657	\$ 291,817
Restricted cash and investments	-	31,645	-	31,645
Receivables (net):				
Accounts	250	-	30	280
Interest	552	97	405	1,054
Taxes	1,030	-	-	1,030
Due from other funds	2,510	-	2,035	4,545
Due from other governmental agencies	3,147	-	-	3,147
Prepaid items	312	-	3	315
Inventories	304	-	-	304
Advances to other funds	-	-	-	-
Total assets	<u>\$ 136,265</u>	<u>\$ 31,742</u>	<u>\$ 166,130</u>	<u>\$ 334,137</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,145	\$ -	\$ 12,772	\$ 18,917
Accrued salaries and benefits	706	-	-	706
Due to other funds	2,328	-	286	2,614
Due to other governmental agencies	24	-	-	24
Unearned revenues	875	-	18	893
Deposits	13	-	-	13
Advances from other funds	5,955	-	-	5,955
Total liabilities	<u>16,046</u>	<u>-</u>	<u>13,076</u>	<u>29,122</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>1,984</u>	<u>-</u>	<u>-</u>	<u>1,984</u>
Total deferred inflows of resources	<u>1,984</u>	<u>-</u>	<u>-</u>	<u>1,984</u>
<b>FUND BALANCES</b>				
Nonspendable	616	-	3	619
Restricted	116,471	31,742	1,799	150,012
Assigned	1,937	-	151,252	153,189
Unassigned	(789)	-	-	(789)
Total fund balances	<u>118,235</u>	<u>31,742</u>	<u>153,054</u>	<u>303,031</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 136,265</u>	<u>\$ 31,742</u>	<u>\$ 166,130</u>	<u>\$ 334,137</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 21,918	\$ -	\$ 18,067	\$ 39,985
Licenses and permits	3,724	-	-	3,724
Intergovernmental	53,360	-	-	53,360
Charges for services	25,943	-	1,856	27,799
Fines, forfeitures and penalties	1,529	-	-	1,529
Rents and concessions	132	-	-	132
Investment income	4,733	918	4,780	10,431
Other	838	5	335	1,178
Total revenues	112,177	923	25,038	138,138
<b>Expenditures:</b>				
Current:				
General government	855	-	-	855
Public protection	4,532	-	-	4,532
Public ways and facilities	25,663	-	-	25,663
Health and sanitation	22,807	-	-	22,807
Public assistance	27,313	-	-	27,313
Capital outlay	8,423	-	67,100	75,523
Debt service:				
Principal	828	-	-	828
Interest	890	-	-	890
Bond insurance	13	-	-	13
Total expenditures	91,324	-	67,100	158,424
Excess (deficiency) of revenues over (under) expenditures	20,853	923	(42,062)	(20,286)
<b>Other financing sources (uses):</b>				
Transfers in	7,422	47,999	105,562	160,983
Transfers out	(16,017)	(47,136)	(9,602)	(72,755)
Total other financing sources (uses)	(8,595)	863	95,960	88,228
<b>Change in fund balances before special item</b>	12,258	1,786	53,898	67,942
<b>Special item:</b>				
Transfer to Flood & Sea LRR District	(28,723)	-	-	(28,723)
<b>Net change in fund balances</b>	(16,465)	1,786	53,898	39,219
Fund balances - beginning	134,700	29,956	99,156	263,812
Fund balances - end	\$ 118,235	\$ 31,742	\$ 153,054	\$ 303,031

## 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, 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, Los Trancos County Maintenance District, Highlands Landscape Maintenance District, Drainage Districts, San Mateo County Redevelopment Agency, and Alameda Tree Maintenance District.

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services
<b>ASSETS</b>							
Cash and investments	\$ 23,566	\$ 10,320	\$ 13,789	\$ 32,611	\$ 15	\$ 17,584	\$ 3,148
Receivables (net):							
Accounts	214	-	28	-	-	-	8
Interest	89	78	55	128	9	69	12
Taxes	-	506	305	58	-	104	-
Due from other funds	1,618	-	15	802	-	8	-
Due from other governmental agencies	782	20	72	215	-	316	49
Prepaid items	180	-	47	70	-	-	-
Inventories	304	-	-	-	-	-	-
Total assets	<u>\$ 26,753</u>	<u>\$ 10,924</u>	<u>\$ 14,311</u>	<u>\$ 33,884</u>	<u>\$ 24</u>	<u>\$ 18,081</u>	<u>\$ 3,217</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,278	\$ -	\$ 598	\$ 3,702	\$ -	\$ 12	\$ 204
Accrued salaries and benefits	485	-	4	60	-	-	-
Due to other funds	77	3	-	99	-	-	-
Due to other governmental agencies	-	-	-	-	24	-	-
Unearned revenues	-	435	251	48	-	86	8
Deposits	9	-	4	-	-	-	-
Advances from other funds	316	-	55	5,488	-	96	-
Total liabilities	<u>2,165</u>	<u>438</u>	<u>912</u>	<u>9,397</u>	<u>24</u>	<u>194</u>	<u>212</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	24	47	98	60	-	89	-
Total deferred inflows of resources	<u>24</u>	<u>47</u>	<u>98</u>	<u>60</u>	<u>-</u>	<u>89</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	484	-	47	70	-	-	-
Restricted	22,143	10,439	13,254	24,357	-	17,798	3,005
Assigned	1,937	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>24,564</u>	<u>10,439</u>	<u>13,301</u>	<u>24,427</u>	<u>-</u>	<u>17,798</u>	<u>3,005</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,753</u>	<u>\$ 10,924</u>	<u>\$ 14,311</u>	<u>\$ 33,884</u>	<u>\$ 24</u>	<u>\$ 18,081</u>	<u>\$ 3,217</u>

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 8,627	\$ 4,320	\$ 12,355	\$ 47	\$ 1,778	\$ 128,160	<b>ASSETS</b>
-	-	-	-	-	250	Cash and investments
35	19	50	-	8	552	Receivables (net):
-	-	-	-	57	1,030	Accounts
-	-	67	-	-	2,510	Interest
-	-	-	1,650	43	3,147	Taxes
11	-	4	-	-	312	Due from other funds
-	-	-	-	-	304	Due from other governmental agencies
<u>\$ 8,673</u>	<u>\$ 4,339</u>	<u>\$ 12,476</u>	<u>\$ 1,697</u>	<u>\$ 1,886</u>	<u>\$ 136,265</u>	Prepaid items
						Inventories
						Total assets
						<b>LIABILITIES</b>
\$ 26	\$ -	\$ 310	\$ 15	\$ -	\$ 6,145	Accounts payable
-	-	81	76	-	706	Accrued salaries and benefits
701	-	703	745	-	2,328	Due to other funds
-	-	-	-	-	24	Due to other governmental agencies
-	-	-	-	47	875	Unearned revenues
-	-	-	-	-	13	Deposits
-	-	-	-	-	5,955	Advances from other funds
<u>727</u>	<u>-</u>	<u>1,094</u>	<u>836</u>	<u>47</u>	<u>16,046</u>	Total liabilities
						<b>DEFERRED INFLOWS OF RESOURCES</b>
-	-	-	1,650	16	1,984	Unavailable revenue
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650</u>	<u>16</u>	<u>1,984</u>	Total deferred inflows of resources
						<b>FUND BALANCES</b>
11	-	4	-	-	616	Nonspendable
7,935	4,339	11,378	-	1,823	116,471	Restricted
-	-	-	-	-	1,937	Assigned
-	-	-	(789)	-	(789)	Unassigned
<u>7,946</u>	<u>4,339</u>	<u>11,382</u>	<u>(789)</u>	<u>1,823</u>	<u>118,235</u>	Total fund balances
<u>\$ 8,673</u>	<u>\$ 4,339</u>	<u>\$ 12,476</u>	<u>\$ 1,697</u>	<u>\$ 1,886</u>	<u>\$ 136,265</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, 2020**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services
<b>Revenues</b>							
Taxes	\$ 6	\$ 7,877	\$ 4,796	\$ 1,326	\$ 2,150	\$ 1,653	\$ -
Licenses and permits	518	-	152	-	-	-	-
Intergovernmental	27,685	2,399	23	1,013	16	4	-
Charges for services	2,676	220	1,868	20,078	-	89	-
Fines, forfeitures and penalties	-	-	-	-	-	-	1,529
Rents and concessions	97	28	-	-	7	-	-
Investment income	795	445	484	1,085	227	611	106
Other	49	361	-	1	-	13	17
Total revenues	<u>31,826</u>	<u>11,330</u>	<u>7,323</u>	<u>23,503</u>	<u>2,400</u>	<u>2,370</u>	<u>1,652</u>
<b>Expenditures</b>							
Current:							
General government	-	-	218	-	-	491	-
Public protection	-	-	3,832	-	700	-	-
Public ways and facilities	25,156	-	-	-	-	-	-
Health and sanitation	-	-	1,696	15,971	-	-	893
Public assistance	-	-	-	-	-	-	-
Capital outlay	2,958	-	135	5,308	22	-	-
Debt service:							
Principal	-	-	-	148	680	-	-
Interest	-	-	-	66	824	-	-
Bond insurance	-	-	-	-	13	-	-
Total expenditures	<u>28,114</u>	<u>-</u>	<u>5,881</u>	<u>21,493</u>	<u>2,239</u>	<u>491</u>	<u>893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,712</u>	<u>11,330</u>	<u>1,442</u>	<u>2,010</u>	<u>161</u>	<u>1,879</u>	<u>759</u>
<b>Other financing sources (uses)</b>							
Transfers in	1,438	-	-	695	1,506	-	-
Transfers out	(14)	(11,590)	-	-	(1,509)	-	-
Total other financing sources (uses)	<u>1,424</u>	<u>(11,590)</u>	<u>-</u>	<u>695</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
<b>Change in fund balances before special item</b>	<u>5,136</u>	<u>(260)</u>	<u>1,442</u>	<u>2,705</u>	<u>158</u>	<u>1,879</u>	<u>759</u>
<b>Special item:</b>							
Transfer to Flood & Sea LRR District	-	-	-	-	(28,723)	-	-
<b>Net change in fund balances</b>	<u>5,136</u>	<u>(260)</u>	<u>1,442</u>	<u>2,705</u>	<u>(28,565)</u>	<u>1,879</u>	<u>759</u>
Fund balances - beginning	<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>
Fund balances - end	<u>\$ 24,564</u>	<u>\$ 10,439</u>	<u>\$ 13,301</u>	<u>\$ 24,427</u>	<u>\$ -</u>	<u>\$ 17,798</u>	<u>\$ 3,005</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, 2020**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 3,741	\$ -	\$ -	\$ -	\$ 369	\$ 21,918	<b>Revenues</b>
-	-	3,054	-	-	3,724	Taxes
-	-	30	22,189	1	53,360	Licenses and permits
-	512	12	481	7	25,943	Intergovernmental
-	-	-	-	-	1,529	Charges for services
-	-	-	-	-	132	Fines, forfeitures and penalties
287	159	448	22	64	4,733	Rents and concessions
-	-	9	388	-	838	Investment income
<u>4,028</u>	<u>671</u>	<u>3,553</u>	<u>23,080</u>	<u>441</u>	<u>112,177</u>	Other
						Total revenues
-	-	-	-	146	855	<b>Expenditures</b>
293	-	-	-	-	4,532	Current:
-	-	4,247	-	-	25,663	General government
-	-	-	27,313	-	22,807	Public protection
-	-	-	-	-	27,313	Public ways and facilities
-	-	-	-	-	8,423	Health and sanitation
-	-	-	-	-	828	Public assistance
-	-	-	-	-	890	Capital outlay
-	-	-	-	-	13	Debt service:
<u>293</u>	<u>-</u>	<u>4,247</u>	<u>27,313</u>	<u>360</u>	<u>91,324</u>	Principal
						Interest
						Bond insurance
						Total expenditures
<u>3,735</u>	<u>671</u>	<u>(694)</u>	<u>(4,233)</u>	<u>81</u>	<u>20,853</u>	Excess (deficiency) of revenues over (under) expenditures
3	-	78	3,702	-	7,422	<b>Other financing sources (uses)</b>
(1,524)	(566)	(814)	-	-	(16,017)	Transfers in
<u>(1,521)</u>	<u>(566)</u>	<u>(736)</u>	<u>3,702</u>	<u>-</u>	<u>(8,595)</u>	Transfers out
						Total other financing sources (uses)
<u>2,214</u>	<u>105</u>	<u>(1,430)</u>	<u>(531)</u>	<u>81</u>	<u>12,258</u>	<b>Change in fund balances before special item</b>
-	-	-	-	-	(28,723)	<b>Special item:</b>
						Transfer to Flood & Sea LRR District
2,214	105	(1,430)	(531)	81	(16,465)	<b>Net change in fund balances</b>
5,732	4,234	12,812	(258)	1,742	134,700	Fund balances - beginning
<u>\$ 7,946</u>	<u>\$ 4,339</u>	<u>\$ 11,382</u>	<u>\$ (789)</u>	<u>\$ 1,823</u>	<u>\$ 118,235</u>	Fund balances - end

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 17,661	\$ 17,661	\$ -	\$ 17,281	\$ (380)
<b>Resources (inflows):</b>					
Taxes	71	71	-	6	(65)
Licenses and permits	350	350	-	518	168
Use of money and property	154	154	-	892	738
Intergovernmental revenues	28,609	28,609	-	27,685	(924)
Charges for services	9	9	-	2,676	2,667
Interfund revenue	3,378	3,378	-	-	(3,378)
Miscellaneous revenue	205	205	-	49	(156)
Other financing sources	2,485	2,485	-	1,438	(1,047)
Amounts available for appropriation	35,261	35,261	-	33,264	(1,997)
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Salaries and benefits	12,162	12,162	-	11,151	1,011
Services and supplies	18,978	18,945	(33)	12,880	6,065
Other charges	1,825	1,858	33	2,394	(536)
Capital assets	8,569	8,569	-	2,958	5,611
Other financing uses	12	12	-	14	(2)
Intrafund transfers	(1,476)	(1,476)	-	(1,269)	(207)
Contingencies	12,852	12,852	-	-	12,852
Total charges to appropriations	52,922	52,922	-	28,128	24,794
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 22,417	\$ 22,417

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 33,264
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(1,438)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 31,826

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 28,128
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(14)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 28,114

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Fire Protection Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 10,619	\$ 10,619	\$ -	\$ 10,699	\$ 80
<b>Resources (inflows):</b>					
Taxes	9,672	9,672	-	7,877	(1,795)
Use of money and property	122	122	-	473	351
Intergovernmental revenues	2,451	2,451	-	2,399	(52)
Charges for services	261	261	-	220	(41)
Miscellaneous revenue	19	19	-	361	342
Amounts available for appropriation	12,525	12,525	-	11,330	(1,195)
<b>Charges to appropriations (outflows):</b>					
Public protection					
Other financing uses	15,640	15,640	-	11,590	4,050
Non-general fund reserves	7,504	7,504	-	-	7,504
Total charges to appropriations	23,144	23,144	-	11,590	11,554
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 10,439	\$ 10,439

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 11,590
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(11,590)
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, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 11,846</u>	<u>\$ 11,918</u>	<u>\$ 72</u>	<u>\$ 11,859</u>	<u>\$ (59)</u>
<b>Resources (inflows):</b>					
Taxes	4,533	4,533	-	4,796	263
Licenses and permits	143	143	-	152	9
Use of money and property	129	129	-	484	355
Intergovernmental revenues	85	85	-	23	(62)
Charges for services	1,877	1,877	-	1,868	(9)
Miscellaneous revenue	2	2	-	-	(2)
Amounts available for appropriation	<u>6,769</u>	<u>6,769</u>	<u>-</u>	<u>7,323</u>	<u>554</u>
<b>Charges to appropriations (outflows):</b>					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	135	135	-	55	80
Services and supplies	7,214	7,214	-	5,655	1,559
Other charges	64	136	72	36	100
Capital assets	200	200	-	135	65
Contingencies	1,132	1,132	-	-	1,132
Non-general fund reserves	9,870	9,870	-	-	9,870
Total charges to appropriations	<u>18,615</u>	<u>18,687</u>	<u>72</u>	<u>5,881</u>	<u>12,806</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,301</u>	<u>\$ 13,301</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Sewer and Sanitation Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 28,858	\$ 29,678	\$ 820	\$ 20,390	\$ (9,288)
<b>Resources (inflows):</b>					
Taxes	807	807	-	1,326	519
Use of money and property	406	406	-	1,085	679
Intergovernmental revenues	3	3	-	1,013	1,010
Charges for services	17,108	17,108	-	20,078	2,970
Interfund revenue	3,897	3,897	-	-	(3,897)
Miscellaneous revenue	-	-	-	1	1
Other financing sources	115	115	-	695	580
Amounts available for appropriation	<u>22,336</u>	<u>22,336</u>	<u>-</u>	<u>24,198</u>	<u>1,862</u>
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	1,531	1,531	-	1,259	272
Services and supplies	17,496	17,496	-	14,408	3,088
Other charges	1,727	2,547	820	518	2,029
Capital assets	9,761	9,761	-	5,308	4,453
Other financing uses	115	115	-	-	115
Contingencies	20,349	20,349	-	-	20,349
Non-General Fund Reserves	215	215	-	-	215
Total charges to appropriations	<u>51,194</u>	<u>52,014</u>	<u>820</u>	<u>21,493</u>	<u>30,521</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,095</u>	<u>\$ 23,095</u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 24,198
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(695)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 23,503</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Flood Control Zone Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 28,241	\$ 28,410	\$ 169	\$ 28,565	\$ 155
<b>Resources (inflows):</b>					
Taxes	3,844	4,086	242	2,150	(1,936)
Use of money and property	414	414	-	234	(180)
Intergovernmental revenues	18	32	14	16	(16)
Other financing sources	<u>2,750</u>	<u>2,750</u>	<u>-</u>	<u>1,506</u>	<u>(1,244)</u>
Amounts available for appropriation	<u>7,026</u>	<u>7,282</u>	<u>256</u>	<u>3,906</u>	<u>(3,376)</u>
<b>Charges to appropriations (outflows):</b>					
Public protection					
Services and supplies	2,547	2,260	(287)	26,943	(24,683)
Other charges	1,901	2,927	1,026	3,997	(1,070)
Capital assets	4,000	1,252	(2,748)	22	1,230
Other financing uses	4,266	29,253	24,987	1,509	27,744
Contingencies	<u>22,553</u>	<u>-</u>	<u>(22,553)</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>35,267</u>	<u>35,692</u>	<u>425</u>	<u>32,471</u>	<u>3,221</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,906
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes	<u>(1,506)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 2,400</u>

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 32,471
Differences - budget to GAAP:	
Transfer to San Mateo County Flood and Sea Level Rise Resiliency District	(28,723)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(1,509)</u>
changes in fund balances - nonmajor special revenue funds	<u>\$ 2,239</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Lighting Districts Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 15,674</u>	<u>\$ 15,731</u>	<u>\$ 57</u>	<u>\$ 15,919</u>	<u>\$ 188</u>
<b>Resources (inflows):</b>					
Taxes	950	950	-	1,653	703
Use of money and property	231	231	-	611	380
Intergovernmental revenues	4	4	-	4	-
Interfund revenue	181	181	-	-	(181)
Charges for services	-	-	-	89	89
Miscellaneous revenue	-	-	-	13	13
Amounts available for appropriation	<u>1,366</u>	<u>1,366</u>	<u>-</u>	<u>2,370</u>	<u>1,004</u>
<b>Charges to appropriations (outflows):</b>					
General government					
Services and supplies	1,681	1,681	-	473	1,208
Other charges	37	94	57	18	76
Intrafund transfers	1,000	1,000	-	-	1,000
Contingencies	14,322	14,322	-	-	14,322
Total charges to appropriations	<u>17,040</u>	<u>17,097</u>	<u>57</u>	<u>491</u>	<u>16,606</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,798</u></u>	<u><u>\$ 17,798</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Emergency Medical Services Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 2,374	\$ 2,374	\$ -	\$ 2,246	\$ (128)
<b>Resources (inflows):</b>					
Fines, forfeitures and penalties	1,641	1,641	-	1,529	(112)
Use of money and property	28	28	-	106	78
Miscellaneous revenue	26	26	-	17	(9)
Amounts available for appropriation	1,695	1,695	-	1,652	(43)
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Services and supplies	2,266	2,266	-	893	1,373
Non-general fund reserves	1,803	1,803	-	-	1,803
Total charges to appropriations	4,069	4,069	-	893	3,176
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 3,005	\$ 3,005

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Half-Cent Transportation Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 5,716</u>	<u>\$ 5,716</u>	<u>\$ -</u>	<u>\$ 5,732</u>	<u>\$ 16</u>
<b>Resources (inflows):</b>					
Taxes	3,651	3,651	-	3,741	90
Use of money and property	50	50	-	287	237
Other financing sources	-	-	-	3	3
Amounts available for appropriation	<u>3,701</u>	<u>3,701</u>	<u>-</u>	<u>4,031</u>	<u>330</u>
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Services and supplies	5,947	5,947	-	205	5,742
Other charges	178	178	-	88	90
Other financing uses	2,606	2,606	-	1,524	1,082
Contingencies	686	686	-	-	686
Total charges to appropriations	<u>9,417</u>	<u>9,417</u>	<u>-</u>	<u>1,817</u>	<u>7,600</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,946</u></u>	<u><u>\$ 7,946</u></u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 4,031
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(3)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u><u>\$ 4,028</u></u>

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,817
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(1,524)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u><u>\$ 293</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County-Wide Road Improvement Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 4,222	\$ 4,222	\$ -	\$ 4,234	\$ 12
<b>Resources (inflows):</b>					
Use of money and property	25	25	-	159	134
Charges for services	425	425	-	512	87
Amounts available for appropriation	450	450	-	671	221
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Other financing uses	527	527	-	566	(39)
Non-general fund reserves	4,145	4,145	-	-	4,145
Total charges to appropriations	4,672	4,672	-	566	4,106
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 4,339	\$ 4,339

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 566
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(566)
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, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 10,144	\$ 10,144	\$ -	\$ 12,812	\$ 2,668
<b>Resources (inflows):</b>					
Licenses and permits	2,890	2,890	-	3,054	164
Use of money and property	101	101	-	448	347
Intergovernmental revenues	17	17	-	30	13
Charges for services	813	813	-	12	(801)
Miscellaneous revenue	15	15	-	9	(6)
Other financing sources	265	265	-	78	(187)
Amounts available for appropriation	4,101	4,101	-	3,631	(470)
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	1,875	1,875	-	1,693	182
Services and supplies	2,328	2,528	200	1,579	949
Other charges	1,281	1,131	(150)	975	156
Other financing uses	295	295	-	814	(519)
Non-general fund reserves	8,466	8,416	(50)	-	8,416
Total charges to appropriations	14,245	14,245	-	5,061	9,184
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 11,382	\$ 11,382

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,631
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(78)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 3,553

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,061
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(814)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 4,247

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**In-Home Supportive Services Public Authority Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 862	\$ 862	\$ -	\$ (258)	\$ (1,120)
<b>Resources (inflows):</b>					
Use of money and property	15	15	-	22	7
Intergovernmental revenues	23,629	24,280	651	22,189	(2,091)
Charges for services	-	-	-	481	481
Interfund Revenue	4,280	4,280	-	-	(4,280)
Miscellaneous revenue	14	14	-	388	374
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	<u>27,938</u>	<u>28,589</u>	<u>651</u>	<u>26,782</u>	<u>(1,807)</u>
<b>Charges to appropriations (outflows):</b>					
Public assistance					
Salaries and benefits	1,823	1,823	-	1,584	239
Services and supplies	6,700	6,951	251	5,849	1,102
Other charges	19,825	20,225	400	19,880	345
Other financing uses	1	1	-	-	1
Intrafund Transfers	(411)	(411)	-	-	(411)
Non-general fund reserves	862	862	-	-	862
Total charges to appropriations	<u>28,800</u>	<u>29,451</u>	<u>651</u>	<u>27,313</u>	<u>2,138</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (789)</u>	<u>\$ (789)</u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 26,782
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(3,702)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 23,080</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Highlands Landscape Maintenance District</b>					
<b>Budgetary fund balance, July 1</b>	\$ 970	\$ 970	\$ -	\$ 486	\$ (484)
Resources (inflows):					
Taxes	45	45	-	-	(45)
Use of money and property	14	14	-	64	50
Charges for services	7	7	-	7	-
Intergovernmental	-	-	-	1	1
Amounts available for appropriation	<u>66</u>	<u>66</u>	<u>-</u>	<u>72</u>	<u>6</u>
Charges to appropriations (outflows):					
General Government					
Services and supplies	86	86	-	146	(60)
Contingencies	785	785	-	-	785
Non-general fund reserves	165	165	-	-	165
Total charges to appropriations	<u>1,036</u>	<u>1,036</u>	<u>-</u>	<u>146</u>	<u>890</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412</u>	<u>\$ 412</u>
<b>Los Trancos County Maintenance Fund</b>					
<b>Budgetary fund balance, July 1</b>	\$ 524	\$ 524	\$ -	\$ 279	\$ (245)
Resources (inflows):					
Taxes	205	205	-	369	164
Use of money and property	5	5	-	-	(5)
Intergovernmental	1	1	-	-	(1)
Amounts available for appropriation	<u>211</u>	<u>211</u>	<u>-</u>	<u>369</u>	<u>158</u>
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	190	190	-	214	(24)
Other Charges	9	9	-	-	9
Capital assets	100	100	-	-	100
Non-general fund reserves	436	436	-	-	436
Total charges to appropriations	<u>735</u>	<u>735</u>	<u>-</u>	<u>214</u>	<u>521</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ 434</u>
<b>Fish and Game Fund</b>					
<b>Budgetary fund balance, July 1</b>	\$ 59	\$ 59	\$ -	\$ 59	\$ -
Resources (inflows):					
Fines, forfeitures & penalties	2	2	-	-	(2)
Use of money and property	1	1	-	-	(1)
Amounts available for appropriation	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	10	10	-	-	10
Non-general fund reserves	52	52	-	-	52
Total charges to appropriations	<u>62</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>
<b>Total - Other Special Revenue Funds</b>					
<b>Budgetary fund balance, July 1</b>	\$ 1,553	\$ 1,553	\$ -	\$ 824	\$ (729)
Resources (inflows)	280	280	-	441	161
Charges to appropriations (outflows)	<u>1,833</u>	<u>1,833</u>	<u>-</u>	<u>360</u>	<u>1,473</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 905</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, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 22,769	\$ 22,769	\$ -	\$ 29,956	\$ 7,187
<b>Resources (inflows):</b>					
Use of money and property	-	-	-	918	918
Miscellaneous revenue	-	-	-	5	5
Other financing sources	50,024	50,024	-	47,999	(2,025)
Amount available for appropriation	<u>50,024</u>	<u>50,024</u>	<u>-</u>	<u>48,922</u>	<u>(1,102)</u>
<b>Charges to appropriations (outflows):</b>					
Other charges	49,159	49,159	-	-	49,159
Other financing uses	-	-	-	47,136	(47,136)
Non-general fund reserves	23,634	23,634	-	-	23,634
Total charges to appropriations	<u>72,793</u>	<u>72,793</u>	<u>-</u>	<u>47,136</u>	<u>25,657</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,742</u>	<u>\$ 31,742</u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 48,922
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(47,999)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 923</u>

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 47,136
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(47,136)</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, 2020**  
**(In Thousands)**

	Parks Acquisition	Accumulated Capital Outlay	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>ASSETS</b>						
Cash and investments	\$ 1,798	\$ 135,611	\$ 1,353	\$ 2	\$ 24,893	\$ 163,657
Accounts receivable	-	-	9	9	12	30
Interest receivable	1	355	8	-	41	405
Due from other funds	-	-	-	-	2,035	2,035
Prepaid items	-	-	-	-	3	3
Total assets	<u>\$ 1,799</u>	<u>\$ 135,966</u>	<u>\$ 1,370</u>	<u>\$ 11</u>	<u>\$ 26,984</u>	<u>\$ 166,130</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 1	\$ 12,771	\$ 12,772
Due to other funds	-	-	-	-	286	286
Unearned revenues	-	-	9	9	-	18
Total liabilities	<u>-</u>	<u>-</u>	<u>9</u>	<u>10</u>	<u>13,057</u>	<u>13,076</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	3	3
Restricted	1,799	-	-	-	-	1,799
Assigned	-	135,966	1,361	1	13,924	151,252
Total fund balances	<u>1,799</u>	<u>135,966</u>	<u>1,361</u>	<u>1</u>	<u>13,927</u>	<u>153,054</u>
Total liabilities, and fund balances	<u>\$ 1,799</u>	<u>\$ 135,966</u>	<u>\$ 1,370</u>	<u>\$ 11</u>	<u>\$ 26,984</u>	<u>\$ 166,130</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, 2020**  
**(In Thousands)**

	Parks Acquisition	Accumulated Capital Outlays	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 18,067	\$ 18,067
Charges for services	-	-	928	928	-	1,856
Investment income	11	4,071	57	-	641	4,780
Other	-	-	-	-	335	335
Total revenues	<u>11</u>	<u>4,071</u>	<u>985</u>	<u>928</u>	<u>19,043</u>	<u>25,038</u>
<b>Expenditures:</b>						
Capital outlay	-	-	-	-	67,100	67,100
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,100</u>	<u>67,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11</u>	<u>4,071</u>	<u>985</u>	<u>928</u>	<u>(48,057)</u>	<u>(42,062)</u>
<b>Other financing sources (uses)</b>						
Transfers in	361	45,000	-	262	59,939	105,562
Transfers out	-	-	(1,100)	(1,188)	(7,314)	(9,602)
Total other financing sources (uses)	<u>361</u>	<u>45,000</u>	<u>(1,100)</u>	<u>(926)</u>	<u>52,625</u>	<u>95,960</u>
<b>Net change in fund balances</b>	372	49,071	(115)	2	4,568	53,898
Fund balances - beginning	<u>1,427</u>	<u>86,895</u>	<u>1,476</u>	<u>(1)</u>	<u>9,359</u>	<u>99,156</u>
Fund balances - end	<u>\$ 1,799</u>	<u>\$ 135,966</u>	<u>\$ 1,361</u>	<u>\$ 1</u>	<u>\$ 13,927</u>	<u>\$ 153,054</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Parks Acquisition Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 1,784	\$ 1,784	\$ -	\$ 1,427	\$ (357)
<b>Resources (inflows):</b>					
Use of money and property	10	10	-	11	1
Other financing sources	-	-	-	361	361
Amounts available for appropriation	10	10	-	372	362
<b>Charges to appropriations (outflows):</b>					
Other financing uses	1,794	1,794	-	-	1,794
Total charges to appropriations	1,794	1,794	-	-	1,794
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 1,799	\$ 1,799

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 372
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(361)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ 11

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Accumulated Capital Outlays Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 86,672	\$ 86,672	\$ -	\$ 86,895	\$ 223
<b>Resources (inflows):</b>					
Use of money and property	500	500	-	4,071	3,571
Miscellaneous revenue	-	45,000	45,000	-	(45,000)
Other financing sources	-	-	-	45,000	45,000
Amounts available for appropriation	500	45,500	45,000	49,071	3,571
<b>Charges to appropriations (outflows):</b>					
Capital assets	-	45,000	45,000	-	45,000
Other financing uses	45,900	45,900	-	-	45,900
Contingencies	1,885	1,885	-	-	1,885
Non-general fund reserves	39,387	39,387	-	-	39,387
Total charges to appropriations	87,172	132,172	45,000	-	132,172
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 135,966	\$ 135,966

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 49,071
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenue for financial reporting purposes.	(45,000)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	\$ 4,071

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Criminal Facility Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 1,472</u>	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ 1,476</u>	<u>\$ 4</u>
<b>Resources (inflows):</b>					
Use of money and property	18	18	-	57	39
Charges for services	<u>900</u>	<u>900</u>	<u>-</u>	<u>928</u>	<u>28</u>
Amounts available for appropriation	<u>918</u>	<u>918</u>	<u>-</u>	<u>985</u>	<u>67</u>
<b>Charges to appropriations (outflows):</b>					
Other financing uses	1,100	1,100	-	1,100	-
Non-general fund reserves	<u>1,290</u>	<u>1,290</u>	<u>-</u>	<u>-</u>	<u>1,290</u>
Total charges to appropriations	<u>2,390</u>	<u>2,390</u>	<u>-</u>	<u>1,100</u>	<u>1,290</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,361</u></u>	<u><u>\$ 1,361</u></u>

**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.	<u>(1,100)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u><u>\$ -</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Courthouse Construction Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ (1)	\$ (1)	\$ -	\$ (1)	\$ -
<b>Resources (inflows):</b>					
Charges for services	900	900	-	928	28
Interfund Revenue	464	464	-	-	(464)
Other financing sources	-	-	-	262	262
Amounts available for appropriation	<u>1,364</u>	<u>1,364</u>	<u>-</u>	<u>1,190</u>	<u>(174)</u>
<b>Charges to appropriations (outflows):</b>					
Other financing uses	1,363	1,363	-	1,188	175
Total charges to appropriations	<u>1,363</u>	<u>1,363</u>	<u>-</u>	<u>1,188</u>	<u>175</u>
<b>Budgetary fund balance, June 30</b>	<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	\$ 1,190
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(262)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 928</u>

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,188
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,188)</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, 2020**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 14,659	\$ 14,661	\$ 2	\$ 9,359	\$ (5,302)
<b>Resources (inflows):</b>					
Taxes	38,457	38,986	529	18,067	(20,919)
Use of money and property	10	10	-	641	631
Interfund revenues	1,350	1,350	-	-	(1,350)
Miscellaneous revenue	170	595	425	335	(260)
Other financing sources	156,016	158,646	2,630	59,939	(98,707)
Amounts available for appropriation	<u>196,003</u>	<u>199,587</u>	<u>3,584</u>	<u>78,982</u>	<u>(120,605)</u>
<b>Charges to appropriations (outflows):</b>					
Services and supplies	19,842	34,387	14,545	13,979	20,408
Other charges	-	117	117	-	117
Capital assets	173,651	162,452	(11,199)	53,122	109,330
Contingencies	4,392	4,392	-	-	4,392
Other financing uses	11,537	11,660	123	7,314	4,346
Non-General Fund Reserves	1,240	1,240	-	-	1,240
Total charges to appropriations	<u>210,662</u>	<u>214,248</u>	<u>3,586</u>	<u>74,415</u>	<u>139,833</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,926</u>	<u>\$ 13,926</u>

**Explanation of Differences between Budgetary Inflows and GAAP Revenues:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 78,982
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(59,939)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 19,043</u>

**Explanation of Differences between Budgetary Outflows and GAAP Expenditures:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 74,415
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(7,314)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 67,101</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, 2020**  
**(In Thousands)**

	Airports	Coyote Point Marina	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 3,539	\$ 1,764	\$ 5,303
Receivables (net):			
Accounts	17	22	39
Interest	12	6	18
Due from other funds	8	-	8
Prepaid items	6	2	8
Total current assets	3,582	1,794	5,376
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	6,844	1,334	8,178
Construction in progress	2,293	-	2,293
Depreciable:			
Structures and improvements	33,615	15,685	49,300
Equipment	267	86	353
Less accumulated depreciation	(12,676)	(8,189)	(20,865)
Total capital assets	30,343	8,916	39,259
Total noncurrent assets	30,343	8,916	39,259
Total assets	33,925	10,710	44,635
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related items	603	191	794
OPEB-related items	61	20	81
Total deferred outflows of resources	664	211	875
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	142	45	187
Accrued interest payable	-	93	93
Accrued salaries and benefits	71	22	93
Due to other funds	12	-	12
Unearned revenues	17	-	17
Deposits	1	3	4
Notes payable - current	-	72	72
Compensated absences - current	77	44	121
Total current liabilities	320	279	599
Noncurrent liabilities:			
Net pension liability - noncurrent	846	287	1,133
Net OPEB liability - noncurrent	152	50	202
Notes payable - noncurrent	-	2,102	2,102
Compensated absences - noncurrent	65	-	65
Total noncurrent liabilities	1,063	2,439	3,502
Total liabilities	1,383	2,718	4,101
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB-related items	64	21	85
Total deferred inflows of resources	64	21	85
<b>NET POSITION</b>			
Net investment in capital assets	30,343	6,742	37,085
Unrestricted	2,799	1,440	4,239
Total net position	\$ 33,142	\$ 8,182	\$ 41,324

**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, 2020**  
**(In Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services	\$ 121	\$ 1,509	\$ 1,630
Rent and concessions	4,111	22	4,133
Miscellaneous	<u>778</u>	<u>15</u>	<u>793</u>
Total operating revenues	<u>5,010</u>	<u>1,546</u>	<u>6,556</u>
<b>Operating expenses:</b>			
Salaries and benefits	1,300	428	1,728
Pension expense	289	92	381
OPEB expense	25	8	33
General and administrative	2,350	511	2,861
Depreciation and amortization	<u>604</u>	<u>314</u>	<u>918</u>
Total operating expenses	<u>4,568</u>	<u>1,353</u>	<u>5,921</u>
Operating income	<u>442</u>	<u>193</u>	<u>635</u>
<b>Nonoperating revenues (expenses):</b>			
State and federal grants	305	-	305
Loss from disposal of capital assets	(371)	-	(371)
Investment income	115	57	172
Interest expense	<u>-</u>	<u>(102)</u>	<u>(102)</u>
Total nonoperating revenues (expenses)	<u>49</u>	<u>(45)</u>	<u>4</u>
Income before transfers	<u>491</u>	<u>148</u>	<u>639</u>
<b>Change in net position</b>	<b>491</b>	<b>148</b>	<b>639</b>
Net position - beginning	<u>32,651</u>	<u>8,034</u>	<u>40,685</u>
Net position - end	<u>\$ 33,142</u>	<u>\$ 8,182</u>	<u>\$ 41,324</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash receipts from customers	\$ 5,038	\$ 1,590	\$ 6,628
Cash paid to suppliers of goods and services	(2,501)	(504)	(3,005)
Cash paid to employees for services	(1,551)	(483)	(2,034)
Net cash provided by operating activities	<u>986</u>	<u>603</u>	<u>1,589</u>
<b>Cash flows from noncapital financing activities</b>			
State and federal grants receipts	305	-	305
Net cash provided by noncapital financing activities	<u>305</u>	<u>-</u>	<u>305</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(190)	-	(190)
Principal paid on long-term liabilities	-	(69)	(69)
Interest paid on long-term liabilities	-	(105)	(105)
Net cash (used in) capital and related financing activities	<u>(190)</u>	<u>(174)</u>	<u>(364)</u>
<b>Cash flows from investing activities</b>			
Investment income received	117	58	175
Net cash provided by investing activities	<u>117</u>	<u>58</u>	<u>175</u>
Net change in cash and cash equivalents	1,218	487	1,705
Cash and cash equivalents, beginning	<u>2,321</u>	<u>1,277</u>	<u>3,598</u>
Cash and cash equivalents, end	<u>\$ 3,539</u>	<u>\$ 1,764</u>	<u>\$ 5,303</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
<b>Operating income</b>	\$ 442	\$ 193	\$ 635
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	604	314	918
Decrease (increase) in:			
Accounts receivable	15	-	15
Due from other funds	(8)	-	(8)
Due from other governmental agencies	19	44	63
Increase (decrease) in:			
Accounts payable	(151)	7	(144)
Accrued salaries and benefits	11	5	16
Due to other funds	12	-	12
Unearned revenues	(10)	-	(10)
Net pension liability	16	6	22
Net OPEB liability	33	9	42
Compensated absences	18	30	48
Deferred inflows of resources	(15)	(5)	(20)
Net cash provided by operating activities	<u>\$ 986</u>	<u>\$ 603</u>	<u>\$ 1,589</u>



## 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, 2020**  
**(In Thousands)**

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 18,394	\$ -	\$ 17,854	\$ 1,051	\$ 2,522	\$ 23,027	\$ 62,848
Receivables (net):							
Accounts	4	76	-	-	-	1,180	1,260
Interest	70	-	70	8	21	76	245
Due from other funds	29	302	-	-	-	-	331
Due from other governmental agencies	-	-	-	-	-	4,055	4,055
Inventories	68	-	-	-	-	-	68
Prepaid items	9	7	883	-	3,863	-	4,762
Total current assets	<u>18,574</u>	<u>385</u>	<u>18,807</u>	<u>1,059</u>	<u>6,406</u>	<u>28,338</u>	<u>73,569</u>
Noncurrent assets:							
Capital assets:							
Nondepreciable:							
Construction in progress	198	-	-	-	-	-	198
Depreciable:							
Structures and improvements	4,596	-	-	-	-	-	4,596
Equipment	28,169	37	-	-	-	-	28,206
Software	9	-	-	-	-	-	9
Less accumulated depreciation	(21,764)	(37)	-	-	-	-	(21,801)
Total capital assets	<u>11,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,208</u>
Total noncurrent assets	<u>11,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,208</u>
Total assets	<u>29,782</u>	<u>385</u>	<u>18,807</u>	<u>1,059</u>	<u>6,406</u>	<u>28,338</u>	<u>84,777</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension-related items	648	699	-	-	-	-	1,347
OPEB-related items	84	65	-	-	-	-	149
Total deferred outflows of resources	<u>732</u>	<u>764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,496</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	557	220	99	-	162	787	1,825
Accrued salaries and benefits	62	84	-	4	-	-	150
Due to other funds	-	-	1	3	5	14	23
Unearned revenues	-	-	128	-	85	-	213
Deposits	94	-	-	-	-	-	94
Compensated absences - current	70	127	-	-	-	-	197
Estimated claims - current	-	-	15,720	59	3,066	1,098	19,943
Total current liabilities	<u>783</u>	<u>431</u>	<u>15,948</u>	<u>66</u>	<u>3,318</u>	<u>1,899</u>	<u>22,445</u>
Noncurrent liabilities:							
Advances from other funds	-	785	-	-	-	-	785
Net pension liability - noncurrent	991	1,048	-	-	-	-	2,039
Net OPEB liability - noncurrent	218	168	-	-	-	-	386
Compensated absences - noncurrent	61	70	-	-	-	-	131
Estimated claims - noncurrent	-	-	34,700	292	4,717	-	39,709
Total noncurrent liabilities	<u>1,270</u>	<u>2,071</u>	<u>34,700</u>	<u>292</u>	<u>4,717</u>	<u>-</u>	<u>43,050</u>
Total liabilities	<u>2,053</u>	<u>2,502</u>	<u>50,648</u>	<u>358</u>	<u>8,035</u>	<u>1,899</u>	<u>65,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension-related items	3	-	-	-	-	-	3
OPEB-related items	93	71	-	-	-	-	164
Total deferred inflows of resources	<u>96</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167</u>
<b>NET POSITION</b>							
Net investment in capital assets	11,208	-	-	-	-	-	11,208
Unrestricted	17,157	(1,424)	(31,841)	701	(1,629)	26,439	9,403
Total net position	<u>\$ 28,365</u>	<u>\$ (1,424)</u>	<u>\$ (31,841)</u>	<u>\$ 701</u>	<u>\$ (1,629)</u>	<u>\$ 26,439</u>	<u>\$ 20,611</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, 2020**  
**(In Thousands)**

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
<b>Operating revenues:</b>							
Charges for services	\$ 5,095	\$ 2,143	\$ 17,533	\$ 957	\$ 9,597	\$ 125,939	\$ 161,264
Miscellaneous	250	11	579	8	2,694	6	3,548
Total operating revenues	<u>5,345</u>	<u>2,154</u>	<u>18,112</u>	<u>965</u>	<u>12,291</u>	<u>125,945</u>	<u>164,812</u>
<b>Operating expenses:</b>							
Salaries and benefits	1,270	1,778	-	-	-	-	3,048
Pension expense	303	340	-	-	-	-	643
OPEB expense	33	26	-	-	-	-	59
General and administrative	2,399	407	3,101	1,663	3,315	7,254	18,139
Benefits and claims	-	-	15,044	-	4,322	7,704	27,070
Insurance premiums	-	-	1,706	-	6,317	110,025	118,048
Depreciation and amortization	2,481	-	-	-	-	-	2,481
Total operating expenses	<u>6,486</u>	<u>2,551</u>	<u>19,851</u>	<u>1,663</u>	<u>13,954</u>	<u>124,983</u>	<u>169,488</u>
Operating income (loss)	<u>(1,141)</u>	<u>(397)</u>	<u>(1,739)</u>	<u>(698)</u>	<u>(1,663)</u>	<u>962</u>	<u>(4,676)</u>
<b>Nonoperating expenses</b>							
Investment income	644	-	633	53	87	748	2,165
Total nonoperating expenses	<u>644</u>	<u>-</u>	<u>633</u>	<u>53</u>	<u>87</u>	<u>748</u>	<u>2,165</u>
Income (loss) before transfers	(497)	(397)	(1,106)	(645)	(1,576)	1,710	(2,511)
Transfers in	-	281	-	-	-	-	281
Transfers out	(3)	(9)	-	-	(14)	-	(26)
<b>Change in net position</b>	(500)	(125)	(1,106)	(645)	(1,590)	1,710	(2,256)
Net position - beginning	<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>
Net position - end	<u>\$ 28,365</u>	<u>\$ (1,424)</u>	<u>\$ (31,841)</u>	<u>\$ 701</u>	<u>\$ (1,629)</u>	<u>\$ 26,439</u>	<u>\$ 20,611</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Fleet Maintenance	Tower Construction	Workers' Compensation Insurance	Long-Term Disability
<b>Cash flows from operating activities</b>				
Cash received from interfund services provided	\$ 5,330	\$ 1,848	\$ 18,141	\$ 965
Cash payment to suppliers of goods and services	(2,008)	(250)	(4,774)	(1,662)
Cash payment to employees for services	(1,565)	(1,990)	-	-
Cash payment for judgments and claims	-	-	(13,982)	(107)
Net cash provided by (used in) operating activities	1,757	(392)	(615)	(804)
<b>Cash flows from noncapital financing activities</b>				
Transfers received from other funds	-	281	-	-
Transfers paid to other funds	(3)	(9)	-	-
Net cash provided by (used in) noncapital financing activities	(3)	272	-	-
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(1,851)	-	-	-
Net cash used in capital and related financing activities	(1,851)	-	-	-
<b>Cash flows from investing activities</b>				
Investment income received	677	-	678	56
Net cash provided by investing activities	677	-	678	56
Net increase (decrease) in cash and cash equivalents	580	(120)	63	(748)
Cash and cash equivalents, beginning	17,814	120	17,791	1,799
Cash and cash equivalents, end	\$ 18,394	\$ -	\$ 17,854	\$ 1,051
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>Operating income (loss)</b>	\$ (1,141)	\$ (397)	\$ (1,739)	\$ (698)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,481	-	-	-
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	1	(4)	-	-
Due from other funds	(15)	(302)	-	-
Due from other government agencies	-	-	-	-
Inventories	2	-	-	-
Other assets	(1)	-	29	-
Deferred outflows of resources	(81)	(212)	-	-
Increase (decrease) in:				
Accounts payable	389	204	45	(2)
Accrued salaries and benefits	(4)	19	-	-
Due to other funds	-	(33)	1	3
Unearned revenues	-	(14)	(13)	-
Net pension liability	149	287	-	-
Net OPEB liability	(19)	(14)	-	-
Compensated absences	15	90	-	-
Estimated claims	-	-	1,062	(107)
Deferred inflows of resources	(19)	(16)	-	-
Net cash provided by (used in) operating activities	\$ 1,757	\$ (392)	\$ (615)	\$ (804)

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Personal Injury and Property Damage	Employee Benefits	Total	
	\$ 11,655	\$ 123,859	\$ 161,798	<b>Cash flows from operating activities</b>
	(9,537)	(117,247)	(135,478)	Cash received from interfund services provided
	-	-	(3,555)	Cash payment to suppliers of goods and services
	(2,189)	(7,886)	(24,164)	Cash payment to employees for services
	(71)	(1,274)	(1,399)	Cash payment for judgments and claims
				Net cash provided by (used in) operating activities
			281	<b>Cash flows from noncapital financing activities</b>
	(14)	-	(26)	Transfers received from other funds
	(14)	-	255	Transfers paid to other funds
				Net cash provided by (used in) noncapital financing activities
			(1,851)	<b>Cash flows from capital and related financing activities</b>
				Acquisition of capital assets
				Net cash used in capital and related financing activities
	71	781	2,263	<b>Cash flows from investing activities</b>
	71	781	2,263	Investment income received
				Net cash provided by investing activities
	(14)	(493)	(732)	Net increase (decrease) in cash and cash equivalents
	2,536	23,520	63,580	Cash and cash equivalents, beginning
	\$ 2,522	\$ 23,027	\$ 62,848	Cash and cash equivalents, end
				<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>
	\$ (1,663)	\$ 962	\$ (4,676)	<b>Operating income (loss)</b>
				Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
	-	-	2,481	Depreciation and amortization
				Changes in operating assets and liabilities:
				Decrease (increase) in:
	-	(802)	(805)	Accounts receivable
	-	-	(317)	Due from other funds
	-	(1,284)	(1,284)	Due from other government agencies
	-	-	2	Inventories
	(636)	-	(608)	Other assets
	-	-	(293)	Deferred outflows of resources
				Increase (decrease) in:
	85	306	1,027	Accounts payable
	-	-	15	Accrued salaries and benefits
	5	(274)	(298)	Due to other funds
	5	-	(22)	Unearned revenues
	-	-	436	Net pension liability
	-	-	(33)	Net OPEB liability
	-	-	105	Compensated absences
	2,133	(182)	2,906	Estimated claims
	-	-	(35)	Deferred inflows of resources
	\$ (71)	\$ (1,274)	\$ (1,399)	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, 2020**  
**(In Thousands)**

	<b>External Investment Pool</b>			<b>Total</b>
	Special Districts under Local Board	School Districts	Other Investment Trust	
<b>ASSETS</b>				
Cash and investments	\$ 478,089	\$ 2,051,451	\$ 757,267	\$ 3,286,807
Interest receivable	1,823	7,965	3,117	12,905
Due from other governmental agencies	7,697	34,351	4	42,052
Other assets	129	3	-	132
Total assets	<u>487,738</u>	<u>2,093,770</u>	<u>760,388</u>	<u>3,341,896</u>
<b>LIABILITIES</b>				
Accounts payable	1,430	-	2	1,432
Due to other governmental agencies	-	-	17	17
Other liabilities	1,932	-	259	2,191
Total liabilities	<u>3,362</u>	<u>-</u>	<u>278</u>	<u>3,640</u>
<b>NET POSITION</b>				
Net position restricted for investment pool participants	<u>\$ 484,376</u>	<u>\$ 2,093,770</u>	<u>\$ 760,110</u>	<u>\$ 3,338,256</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	<b>External Investment Pool</b>			<b>Total</b>
	Special Districts under Local Board	School Districts	Other Investment Trust	
<b>ADDITIONS</b>				
Contributions:				
Contributions to investment pool	\$ 527,601	\$ 3,509,156	\$ 585,613	\$ 4,622,370
Net investment income:				
Net appreciation in fair value of investments	8,274	33,998	12,994	55,266
Interest and investment income	7,378	34,835	123,760	165,973
Total net investment income	15,652	68,833	136,754	221,239
Total additions	543,253	3,577,989	722,367	4,843,609
<b>DEDUCTIONS</b>				
Distribution from investment pool	433,376	3,520,391	675,489	4,629,256
<b>Change in net position</b>	109,877	57,598	46,878	214,353
Net position - beginning	374,499	2,036,172	713,232	3,123,903
Net position - end	\$ 484,376	\$ 2,093,770	\$ 760,110	\$ 3,338,256

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Balance July 1, 2019	Addition	Deletion	Balance June 30, 2020
<b><u>COUNTY LIBRARY</u></b>				
Assets:				
Cash and investments	\$ 41,588	\$ 41,164	\$ 39,803	\$ 42,949
Interest receivable	239	164	276	127
Taxes receivable, net	1,741	1,790	1,741	1,790
Due from other governmental agencies	2,383	2,548	2,383	2,548
Other assets	4,619	5,485	5,062	5,042
Total assets	<u>\$ 50,570</u>	<u>\$ 51,151</u>	<u>\$ 49,265</u>	<u>\$ 52,456</u>
Liabilities:				
Fiduciary liabilities	<u>\$ 50,570</u>	<u>\$ 49,033</u>	<u>\$ 47,147</u>	<u>\$ 52,456</u>
Total liabilities	<u>\$ 50,570</u>	<u>\$ 49,033</u>	<u>\$ 47,147</u>	<u>\$ 52,456</u>
 <b><u>UNAPPORTIONED TAXES</u></b>				
Assets:				
Cash and investments	\$ 141,089	\$ 4,185,627	\$ 4,162,928	\$ 163,788
Interest receivable	664	461	664	461
Due from other governmental agencies	51	-	51	-
Total assets	<u>\$ 141,804</u>	<u>\$ 4,186,088</u>	<u>\$ 4,163,643</u>	<u>\$ 164,249</u>
Liabilities:				
Due to other governmental agencies	\$ 106,629	\$ 120,315	\$ 106,630	\$ 120,314
Fiduciary liabilities	35,175	3,635,838	3,627,078	43,935
Total liabilities	<u>\$ 141,804</u>	<u>\$ 3,756,153</u>	<u>\$ 3,733,708</u>	<u>\$ 164,249</u>
 <b><u>TRIAL COURTS OPERATION</u></b>				
Assets:				
Cash and investments	\$ 1,798	\$ 47,660	\$ 47,591	\$ 1,867
Interest receivable	7	5	7	5
Other assets	1,109	-	-	1,109
Total assets	<u>\$ 2,914</u>	<u>\$ 47,665</u>	<u>\$ 47,598</u>	<u>\$ 2,981</u>
Liabilities:				
Fiduciary liabilities	<u>\$ 2,914</u>	<u>\$ 32,552</u>	<u>\$ 32,485</u>	<u>\$ 2,981</u>
Total liabilities	<u>\$ 2,914</u>	<u>\$ 32,552</u>	<u>\$ 32,485</u>	<u>\$ 2,981</u>
 <b><u>PUBLIC ADMINISTRATOR</u></b>				
Assets:				
Cash and investments	\$ 15,061	\$ 31,236	\$ 22,271	\$ 24,026
Interest receivable	90	87	90	87
Other assets	11,808	10,706	1,210	21,304
Total assets	<u>\$ 26,959</u>	<u>\$ 42,029</u>	<u>\$ 23,571</u>	<u>\$ 45,417</u>
Liabilities:				
Due to other governmental agencies	\$ 77	\$ 77	\$ 77	\$ 77
Fiduciary liabilities	26,882	21,878	3,420	45,340
Total liabilities	<u>\$ 26,959</u>	<u>\$ 21,955</u>	<u>\$ 3,497</u>	<u>\$ 45,417</u>

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Balance July 1, 2019	Addition	Deletion	Balance June 30, 2020
<b><u>PUBLIC GUARDIAN</u></b>				
Assets:				
Cash and investments	\$ 22,274	\$ 31,346	\$ 29,832	\$ 23,788
Interest receivable	139	122	164	97
Due from other governmental agencies	66	4	66	4
Other assets	24,499	5,593	4,416	25,676
Total assets	<u>\$ 46,978</u>	<u>\$ 37,065</u>	<u>\$ 34,478</u>	<u>\$ 49,565</u>
Liabilities:				
Due to other governmental agencies	\$ 127	\$ 114	\$ 127	\$ 114
Fiduciary liabilities	46,851	19,704	17,104	49,451
Total liabilities	<u>\$ 46,978</u>	<u>\$ 19,818</u>	<u>\$ 17,231</u>	<u>\$ 49,565</u>
<b><u>OTHER AGENCY</u></b>				
Assets:				
Cash and investments	\$ 225,797	\$ 7,887,886	\$ 7,871,113	\$ 242,570
Interest receivable	1,570	1,435	1,887	1,118
Taxes receivable, net	169,711	251,453	230,001	191,163
Due from other governmental agencies	18,287	19,486	18,287	19,486
Other assets	1,721	2,397	2,356	1,762
Total assets	<u>\$ 417,086</u>	<u>\$ 8,162,657</u>	<u>\$ 8,123,644</u>	<u>\$ 456,099</u>
Liabilities:				
Due to other governmental agencies	\$ 37	\$ 34,387	\$ 37	\$ 34,387
Fiduciary liabilities	417,049	8,462,339	8,457,676	421,712
Total liabilities	<u>\$ 417,086</u>	<u>\$ 8,496,726</u>	<u>\$ 8,457,713</u>	<u>\$ 456,099</u>
<b><u>TOTALS</u></b>				
Assets:				
Cash and investments	\$ 447,607	\$ 12,224,919	\$ 12,173,538	\$ 498,988
Receivables:				
Interest	2,709	2,274	3,088	1,895
Taxes, net	171,452	253,243	231,742	192,953
Due from other governmental agencies	20,787	22,038	20,787	22,038
Other assets	43,756	24,181	13,044	54,893
Total assets	<u>\$ 686,311</u>	<u>\$ 12,526,655</u>	<u>\$ 12,442,199</u>	<u>\$ 770,767</u>
Liabilities:				
Due to other governmental agencies	\$ 106,870	\$ 154,893	\$ 106,871	\$ 154,892
Fiduciary liabilities	579,441	12,221,344	12,184,910	615,875
Total liabilities	<u>\$ 686,311</u>	<u>\$ 12,376,237</u>	<u>\$ 12,291,781</u>	<u>\$ 770,767</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**

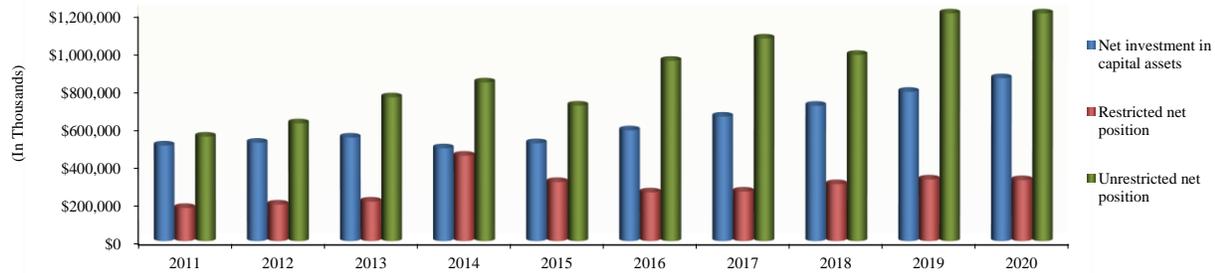
This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 449,235	\$ 459,511	\$ 482,077	\$ 418,671	\$ 441,955	\$ 508,490	\$ 579,485	\$ 634,859	\$ 706,423	\$ 779,091
Restricted for:										
Government programs <sup>3</sup>	108,657	126,227	143,399	247,541	201,262	201,059	210,266	246,960	286,213	249,805
Capital projects	3,718	3,675	3,595	5,977	3,179	2,714	2,518	2,402	1,427	1,799
Debt service	61,056	60,863	60,726	195,628	105,907	52,451	47,752	49,130	35,383	68,035
Unrestricted	481,004	550,999	679,125	756,305	701,449	917,413	1,032,917	975,044	1,258,498	1,443,606
Subtotal governmental activities net position	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	2,542,336
<b>Business-type Activities</b>										
Net investment in capital assets <sup>1</sup>	54,851	58,904	63,516	70,560	73,924	75,231	76,676	78,508	80,568	79,271
Restricted for:										
Housing assistance programs	1,095	1,886	-	-	84	-	-	1,383	1,782	1,518
Airport management by FAA	-	-	524	843	709	362	362	-	-	-
Fuel Dock 10 project	-	-	-	137	137	-	-	-	-	-
Unrestricted	69,588	69,816	78,690	79,936	12,685	32,816	34,911	6,229	16,874	40,477
Subtotal business-type activities net position	125,534	130,606	142,730	151,476	87,539	108,409	111,949	86,120	99,224	121,266
<b>Primary Government</b>										
Net investment in capital assets	504,086	518,415	545,593	489,231	515,879	583,721	656,161	713,367	786,991	858,362
Restricted for:										
Governmental programs	108,657	126,227	143,399	247,541	201,262	201,059	210,266	246,960	286,213	249,805
Capital projects	3,718	3,675	3,595	5,977	3,179	2,714	2,518	2,402	1,427	1,799
Debt service	61,056	60,863	60,726	195,628	105,907	52,451	47,752	49,130	35,383	68,035
Housing assistance programs	1,095	1,886	-	-	84	-	-	1,383	1,782	1,518
Airport management by FAA	-	-	524	843	709	362	362	-	-	-
Fuel Dock 10 project	-	-	-	137	137	-	-	-	-	-
Total restricted	174,526	192,651	208,244	450,126	311,278	256,586	260,898	299,875	324,805	321,157
Unrestricted	550,592	620,815	757,815	836,241	714,134	950,229	1,067,828	981,273	1,275,372	1,484,083
Total primary government net position <sup>2</sup>	\$ 1,229,204	\$ 1,331,881	\$ 1,511,652	\$ 1,775,598	\$ 1,541,291 <sup>4</sup>	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168	\$ 2,663,602
Percent of increase (decrease) in primary government net position	4.75%	8.35%	13.50%	17.46%	-13.20%	16.17%	10.85%	0.49%	19.69%	11.58%

**Net Position**



Source: Government-Wide Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

Notes:

- <sup>1</sup> Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software.
- <sup>2</sup> 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.
- <sup>3</sup> Net position is restricted for specific purposes as indicated on the Statement of Net Position.
- <sup>4</sup> 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<u>Governmental activities:</u>										
General government	\$ 68,325	\$ 78,215	\$ 78,988	\$ 108,980	\$ 120,104	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837	\$ 238,847
Public protection	329,087	330,062	337,059	353,458	321,375	357,729	403,393	409,330	423,996	477,616
Public ways and facilities	19,089	19,358	20,248	19,419	16,369	20,058	23,460	24,375	23,731	27,706
Health and sanitation	214,952	221,129	228,050	246,652	243,919	275,293	304,204	350,672	376,472	386,005
Public assistance	207,316	199,789	201,087	221,761	211,921	222,255	243,469	250,393	255,556	230,967
Recreation	9,608	8,538	8,621	10,420	11,537	13,171	15,483	16,252	16,839	22,676
Interest on long-term debt	18,185	16,841	16,292	16,351	22,980	22,187	19,068	17,691	22,098	22,817
Total governmental activities expenses	866,562	873,932	890,345	977,041	948,205	1,022,025	1,139,408	1,225,311	1,268,529	1,406,634
<u>Business-type activities:</u>										
San Mateo Medical Center	241,028	251,626	234,736	244,015	233,186	264,854	290,389	314,258	335,511	403,981
Airports	2,598	2,763	2,841	2,877	3,312	3,318	3,808	4,533	4,737	5,004
Coyote Point Marina	1,067	1,066	826	790	921	1,090	1,234	2,261	1,306	1,466
Housing Authority	68,728	70,553	70,578	71,052	68,016	72,783	82,567	89,191	95,526	108,385
Total business-type activities expenses	313,421	326,008	308,981	318,734	305,435	342,045	377,998	410,243	437,080	518,836
Total primary government expenses	\$ 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	\$ 1,925,470
<b>Program Revenues</b>										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 29,180	\$ 29,011	\$ 33,015	\$ 33,588	\$ 30,261	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674	\$ 33,198
Public protection	36,881	35,478	35,822	34,680	35,191	36,755	35,998	37,529	41,024	57,108
Public ways and facilities	3,808	2,123	2,432	2,246	2,527	2,387	2,979	3,002	3,041	3,804
Health and sanitation	62,483	74,523	72,773	73,499	104,099	91,215	92,286	91,551	106,810	102,620
Public assistance	4,922	4,605	4,273	5,085	5,898	5,880	5,416	6,147	6,165	6,263
Recreation	1,641	2,253	2,028	1,983	1,649	2,238	2,531	2,906	2,663	3,650
Operating grants and contributions **	408,092	446,884	483,718	481,941	516,195	479,695	501,166	566,848	594,396	568,353
Capital grants and contributions	-	-	907	-	-	-	-	-	-	-
Total governmental activities program revenues	547,007	594,877	634,968	633,022	695,820	652,783	675,140	742,054	789,773	774,996
<u>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	121,074	124,285	173,494	183,861	195,904	227,104	239,908	270,519	292,855	341,987
Airports	2,771	2,589	2,505	2,712	2,674	3,833	3,812	4,032	3,847	4,232
Coyote Point Marina	1,132	1,198	1,000	977	1,089	1,103	1,196	1,420	1,467	1,531
Housing Authority	2,196	3,586	3,647	3,402	67,625	71,351	78,238	97,623	94,057	116,163
Operating grants and contributions	138,510	138,170	66,128	70,400	5,369	3,316	1,488	1,095	71	20,339
Capital grants and contributions	4,514	5,939	5,607	6,623	2,279	5,226	6,431	4,919	5,007	4,585
Total business-type activities program revenues	270,197	275,767	252,381	267,975	274,940	311,933	331,073	379,608	397,304	488,837
Total primary government program revenues	\$ 817,204	\$ 870,644	\$ 887,349	\$ 900,997	\$ 970,760	\$ 964,716	\$ 1,006,213	\$ 1,121,662	\$ 1,187,077	\$ 1,263,833
<b>Net Expense <sup>1</sup></b>										
Governmental activities	\$ (319,555)	\$ (279,055)	\$ (255,377)	\$ (344,019)	\$ (252,385)	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)	\$ (631,638)
Business-type activities	(43,224)	(50,241)	(56,600)	(50,759)	(30,495)	(30,112)	(46,925)	(30,635)	(39,776)	(29,999)
Total primary government net expenses	\$ (362,779)	\$ (329,296)	\$ (311,977)	\$ (394,778)	\$ (282,880)	\$ (399,354)	\$ (511,193)	\$ (513,892)	\$ (518,532)	\$ (661,637)

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.

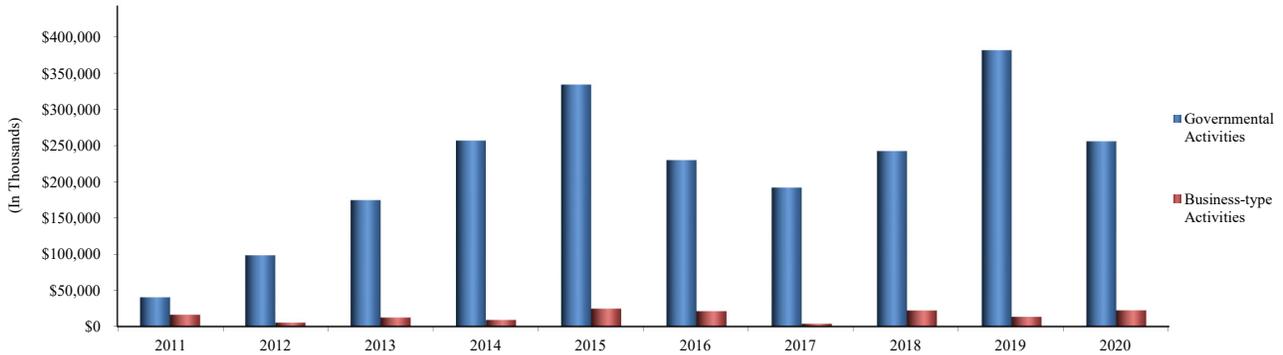
<sup>1</sup> Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses 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)**

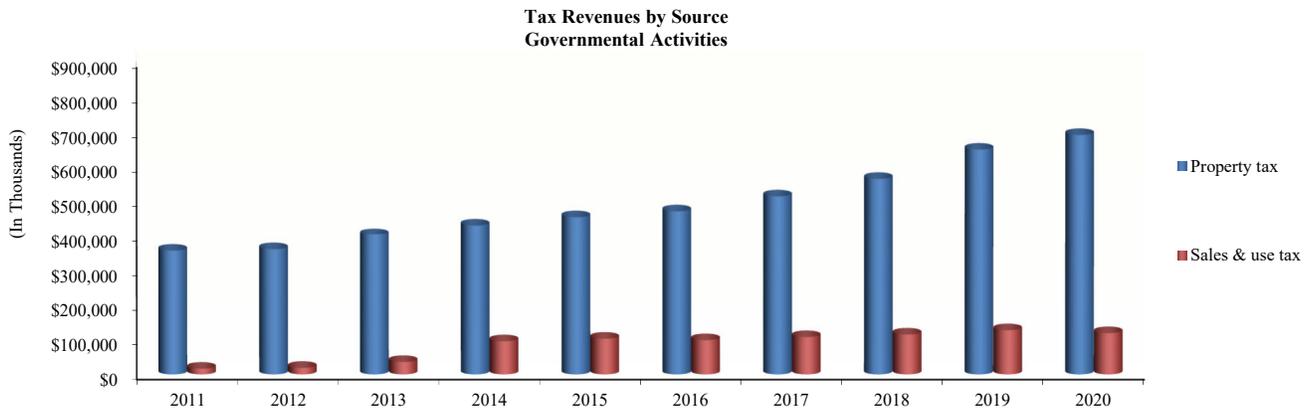
	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 356,011	\$ 360,310	\$ 403,021	\$ 430,981	\$ 455,001	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342	\$ 691,462
Property transfer taxes	5,018	5,651	6,725	8,747	10,333	9,978	10,088	11,008	11,315	10,291
Sales and use taxes	16,395	18,869	35,687	95,357	102,724	98,437	107,398	114,743	127,083	118,681
Property tax in-lieu of sales taxes	4,772	5,560	6,247	5,726	6,793	4,808	-	-	-	-
Transient occupancy taxes	928	1,221	1,172	1,519	1,527	1,490	1,749	2,160	1,750	1,920
Aircraft taxes	857	1,091	1,576	1,399	1,125	1,086	1,487	1,418	1,413	984
Vehicle rental business license tax	-	-	7,907	12,254	12,181	12,145	12,581	10,946	11,540	10,911
Other taxes	43	2	-	-	-	-	-	-	-	-
Unrestricted interest and investment earnings	10,008	10,602	3,863	11,861	13,742	21,026	14,859	24,828	58,417	78,726
Securities lending activities:										
Securities lending income	34	-	-	-	-	-	-	-	-	-
Securities lending expenses	(29)	-	-	-	-	-	-	-	-	-
Miscellaneous	20,873	24,483	31,100	39,880	35,070	27,188	42,246	44,792	45,228	60,531
Special items	-	-	-	45,283	-	(603)	-	-	-	(39,088)
Transfers	(55,528)	(51,129)	(68,570)	(53,788)	(53,939)	(49,923)	(50,265)	(50,915)	(47,783)	(48,388)
Total governmental activities	359,382	376,660	428,728	599,219	584,557	597,617	655,079	724,244	858,305	886,030
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	279	372	173	170	333	776	(222)	156	2,448	1,784
Securities lending activities:										
Securities lending income	2	-	-	-	-	-	-	-	-	-
Securities lending expenses	(2)	-	-	-	-	-	-	-	-	-
Miscellaneous	3,323	3,812	2,787	5,547	502	283	422	1,271	2,649	1,869
Special item	-	-	(2,806)	-	-	-	-	-	-	-
Transfers	55,528	51,129	68,570	53,788	53,939	49,923	50,265	50,915	47,783	48,388
Total business-type activities	59,130	55,313	68,724	59,505	54,774	50,982	50,465	52,342	52,880	52,041
Total primary government	\$ 418,512	\$ 431,973	\$ 497,452	\$ 658,724	\$ 639,331	\$ 648,599	\$ 705,544	\$ 776,586	\$ 911,185	\$ 938,071
<b>Change in Net Position</b>										
Governmental activities	\$ 39,827	\$ 97,605	\$ 173,351	\$ 255,200	\$ 332,172	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549	\$ 254,392
Business-type activities	15,906	5,072	12,124	8,746	24,279	20,870	3,540	21,707	13,104	22,042
Total primary government	\$ 55,733	\$ 102,677	\$ 185,475	\$ 263,946	\$ 356,451	\$ 249,245	\$ 194,351	\$ 262,694	\$ 392,653	\$ 276,434

**Changes in Net Position**



**COUNTY OF SAN MATEO**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(In Thousands)**

Fiscal Year	Property tax		Sales and Use Taxes	Vehicle Rental		Transient Occupancy	Aircraft	Other	Total
	Property *	Property Transfer		in-lieu of Sales Tax	Business License Tax				
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 <sup>1</sup>	6,247	7,907 <sup>2</sup>	1,172	1,576	-	462,335
2014	430,981	8,747	95,357 <sup>3</sup>	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	- <sup>4</sup>	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
2020	691,462	10,291	118,681	-	10,911	1,920	984	-	834,249
<b>Change</b>									
<b>2011 - 2020</b>	94.2%	105.1%	623.9%	-100.0%	n/a	106.9%	14.8%	-100.0%	117.2%



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.
- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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.
- <sup>4</sup> 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)**

	As of June 30,									
<b>General Fund</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Nondspendable	\$ 12,099	\$ 27,124	\$ 28,517	\$ 31,031	\$ 35,269	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648	\$ 52,353
Restricted	35,653	46,149	60,119	146,966	85,816	89,025	94,418	127,495	151,220	130,731
Committed	1,572	-	-	13,481	-	-	-	-	-	-
Assigned	1,763	4,590	6,190	4,410	1,623	6,584	10,235	9,860	7,802	9,334
Unassigned	194,868	231,286	342,146	380,110	641,961	744,315	791,121	835,779	1,021,356	1,221,199
Total general fund	<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>	<u>1,413,617</u>
<b>All Other Governmental Funds</b>										
Nondspendable	410	354	343	362	347	464	709	718	1,176	1,262
Restricted	137,778	144,616	147,601	302,180	231,898	173,410	172,118	176,633	405,002	358,807
Assigned	14,567	12,725	15,730	95,372	95,239	107,192	100,162	96,646	99,039	153,189
Unassigned	-	-	(728)	-	(479)	(561)	(546)	(435)	(259)	(789)
Total all other governmental funds	<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>	<u>512,469</u>
<b>Total Governmental Funds<sup>1</sup></b>										
Nondspendable	12,509	27,478	28,860	31,393	35,616	34,369	40,815	46,916	51,824	53,615
Restricted	173,431	190,765	207,720	449,146	317,714	262,435	266,536	304,128	556,222	489,538
Committed	1,572	-	-	13,481	-	-	-	-	-	-
Assigned	16,330	17,315	21,920	99,782	96,862	113,776	110,397	106,506	106,841	162,523
Unassigned	194,868	231,286	341,418	380,110	641,482	743,754	790,575	835,344	1,021,097	1,220,410
Total governmental funds	<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>	<u>\$ 1,926,086</u>

Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

Notes:

<sup>1</sup> 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
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
<b>Revenues</b>											
Taxes *	\$ 389,130	\$ 381,743	\$ 453,666	\$ 554,773	\$ 587,811	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	\$ 805,567	107.02%
Licenses and permits	8,498	8,692	9,082	9,678	10,023	7,963	10,982	11,283	11,428	10,957	28.94%
Intergovernmental *	403,907	463,959	493,731	470,364	508,386	494,214	501,439	542,832	576,465	602,183	49.09%
Charges for services	112,039	118,445	114,940	140,023	176,654	161,243	153,387	163,242	169,368	185,000	65.12%
Fines, forfeitures and penalties	14,904	12,967	12,409	11,476	11,098	11,679	9,486	9,994	11,378	9,807	-34.20%
Rents and concessions	1,960	1,599	1,708	3,538	1,178	1,769	1,655	1,664	1,602	1,994	1.73%
Investment income (loss)	8,328	10,127	3,731	10,352	12,187	18,371	12,705	22,489	54,856	75,078	801.51%
Securities lending activities:											
Securities lending income	29	-	-	-	-	-	-	-	-	-	-100.00%
Securities lending expenditures	(25)	-	-	-	-	-	-	-	-	-	-100.00%
Other revenues	25,266	24,340	29,606	31,682	28,529	24,800	29,557	28,522	27,794	41,336	63.60%
Total revenues	<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>	<u>1,731,922</u>	79.65%
<b>Expenditures</b>											
<b>Current:</b>											
General government**	60,788	62,548	72,902	100,404	119,377	109,491	115,071	146,140	136,521	201,816	232.00%
Public protection**	323,469	335,123	328,862	342,040	358,412	387,217	399,087	409,443	431,708	435,617	34.67%
Public ways and facilities	18,512	18,906	19,599	18,910	16,790	20,284	22,225	23,575	23,171	25,663	38.63%
Health and sanitation	211,873	221,383	222,494	243,850	258,824	287,217	305,386	354,334	383,507	372,682	75.90%
Public assistance	208,747	202,959	200,458	220,554	225,296	232,283	245,416	254,197	262,152	223,089	6.87%
Recreation	9,110	8,222	8,005	9,633	11,553	12,992	14,629	15,314	16,100	20,023	119.79%
Capital outlay	83,093	23,238	34,384	76,041	125,473	97,594	67,477	57,103	99,858	126,002	51.64%
Debt service:											
Principal	11,874	12,990	13,645	14,340	14,130	15,054	33,680	34,008	33,590	32,163	170.87%
Interest	18,562	17,542	16,914	16,278	24,377	22,926	20,622	20,080	20,248	26,336	41.88%
Payment to bond refunding escrow	-	-	-	1,085	-	9,758	-	-	-	-	100.00%
Bond issuance costs	-	-	-	1,042	-	1,506	-	-	1,454	274	100.00%
Bond insurance costs	-	-	-	-	-	-	7	16	33	56	100.00%
Total expenditures	<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>	<u>1,463,721</u>	54.72%
Excess of revenues over expenditures	<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>	<u>268,201</u>	1389.34%
<b>Other financing sources (uses)</b>											
Issuance of debt	-	-	-	-	1,332	619	222	1,974	217,744	-	100.00%
Proceeds from sale of capital assets	5	23	3	3	-	9	33	3	3	-	-100.00%
Issuance of refunding bonds	-	-	-	215,130	-	126,325	-	-	-	45,170	100.00%
Premium on lease revenue and revenue refunding bonds	-	-	-	27,308	-	18,690	-	-	13,860	4,090	100.00%
Payment to bond refunding escrow/agent	-	-	-	(39,155)	-	(143,364)	-	-	-	(49,993)	100.00%
Transfers in	131,685	75,426	85,919	168,487	89,486	133,978	135,225	153,067	158,943	226,064	71.67%
Transfers out	(187,199)	(126,276)	(154,458)	(222,542)	(144,690)	(183,297)	(185,500)	(204,018)	(210,233)	(274,707)	46.75%
Total other financing sources (uses)	<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>	<u>(49,376)</u>	-11.05%
<b>Change in fund balances before special item</b>	<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>	<u>218,825</u>	-683.52%
Special item	-	-	-	37,054	(10,000)	(19,538)	(33,600)	(27,630)	(50,668)	(28,723)	100.00%
<b>Net change in fund balances</b>	<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>	<u>\$ 190,102</u>	-606.93%
<b>Debt service as a percentage of noncapital expenditures</b>	3.53%	3.47%	3.46%	3.16%	3.74%	3.46%	4.70%	4.30%	4.11%	4.37%	

Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

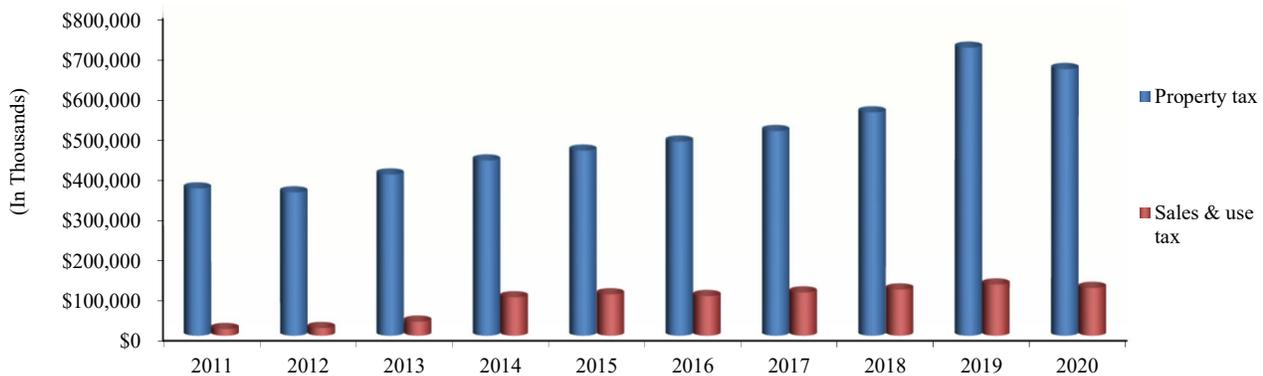
\* Prior to FY 2011-12 pass-through payments from RDAs were reported as part of property taxes. Starting FY 2011-12 these payments were reported under intergovernmental revenues.

\*\* 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.

**COUNTY OF SAN MATEO**  
**Governmental Fund Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(In Thousands)**

<b>Fiscal Year</b>	<b>Property* Taxes</b>	<b>Sales &amp; Use Taxes</b>	<b>Property Transfer Taxes</b>	<b>Vehicle Rental Business License Tax</b>	<b>All Other Taxes</b>	<b>Total</b>
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 <sup>3</sup>	3,572 <sup>2</sup>	453,666
2014	435,497	95,357 <sup>1</sup>	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 <sup>4</sup>	127,083	11,315	11,540	3,163	868,892
2020	662,780	118,681	10,291	10,911	2,904	805,567
<b>10 year % of change</b>	81.1%	623.9%	105.1%	100.0%	58.9%	107.0%

**Tax Revenues by Source**  
**Governmental Funds**



Source: Governmental Funds Financial Statements - Comprehensive Annual Financial Reports, County of San Mateo, California

<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> The sizeable increase in other taxes is due primarily to the significant increases in Property Transfer Tax, and other taxes.

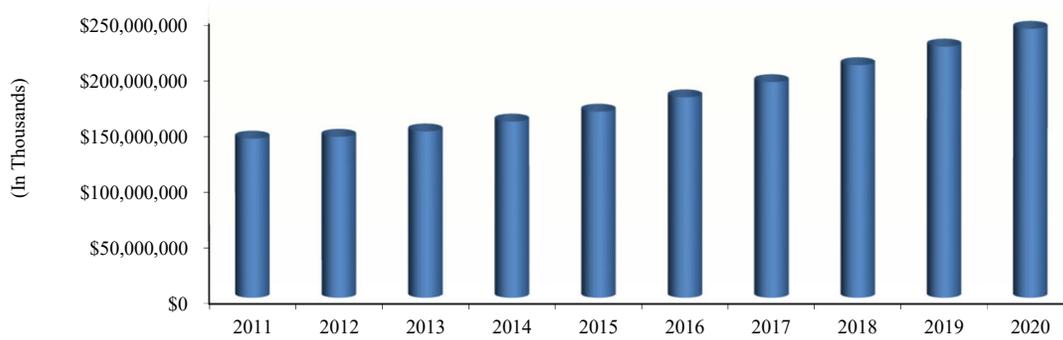
<sup>3</sup> In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses in the unincorporated areas effective July 1, 2012.

<sup>4</sup> In FY 2018-19, County received one-time distribution of \$45 million excess ERAF due to County's revised distribution schedule.

**COUNTY OF SAN MATEO**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands)**

<b>Fiscal Year</b>	<b>Real Property <sup>2</sup></b>	<b>Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value <sup>1</sup></b>	<b>% of Change Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
2020	238,245,297	9,777,421	7,568,631	240,454,087	7%	1%
<b>10 year % of Change</b>	69.86%	48.34%	67.70%	68.93%		

**Total Taxable Assessed Value**



Source: Assessor's Office - County of San Mateo, California

Notes:

<sup>1</sup> 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.

<sup>2</sup> 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)**

<b>Fiscal Year<sup>3</sup></b>	<b>Direct Rate<sup>1</sup></b>	<b>Overlapping Rates<sup>2</sup></b>			<b>Total</b>
	<b>County General</b>	<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	
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
2020	1.0000	0.0013	0.1328	0.0023	1.1364

Source: Controller's Office - County of San Mateo, California

Notes:

<sup>1</sup> 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.

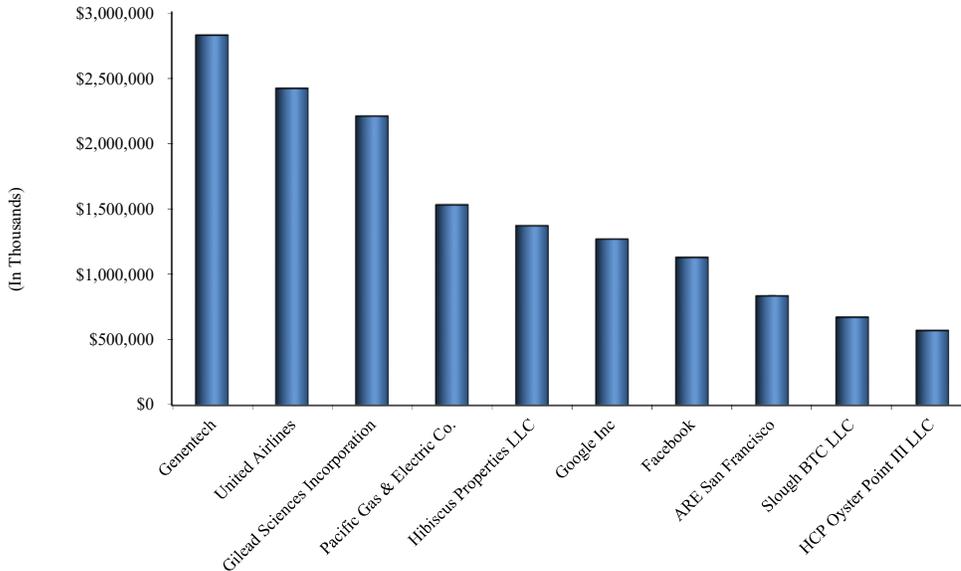
<sup>2</sup> These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

<sup>3</sup> 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, 2020 and January 1, 2011**  
**(In Thousands)**

Assessee	Nature of Business	As of January 1, 2020			As of January 1, 2011		
		Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value <sup>2</sup>	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value
Genentech	Biotechnology	\$ 2,823,488	1	1.17%	\$ 1,832,639	1	1.29%
United Airlines	Air Carrier	2,417,040	2	1.01%	1,224,857	2	0.86%
Gilead Sciences Incorporation	Biopharmaceutical	2,205,502	3	0.92%	411,778	7	0.29%
Pacific Gas & Electric Co.	Natural Gas Company	1,528,216	4	0.64%			
Hibiscus Properties LLC	Technology	1,368,405	5	0.57%			
Google Inc	Technology	1,266,253	6	0.53%			
Facebook	Technology	1,126,727	7	0.47%			
ARE San Francisco	Life Science	833,701	8	0.35%			
Slough BTC LLC	Lease	671,416	9	0.28%	549,059	4	0.39%
HCP Oyster Point III LLC	Biotechnology	569,748	10	0.24%			
Oracle Corporation	Software				576,498	3	0.41%
Pacific Shores Investors	Investment				481,917	5	0.34%
Slough SSF LLC	Lease				467,742	6	0.33%
Wells Real Estate Investment Trust	Real estate				312,533	8	0.22%
Britannia Pointe Grand L P	Project management advisors				274,971	9	0.19%
Alexandria Real Estate Equities	Real estate				274,164	10	0.19%
<b>Total</b>		<b>\$ 14,810,496</b>		<b>6.17%</b>	<b>\$ 6,406,158</b>		<b>4.50%</b>

**Principal Property Assesseees**  
**As of January 1, 2020**



Source: Controller's Office - County of San Mateo, California

Notes:

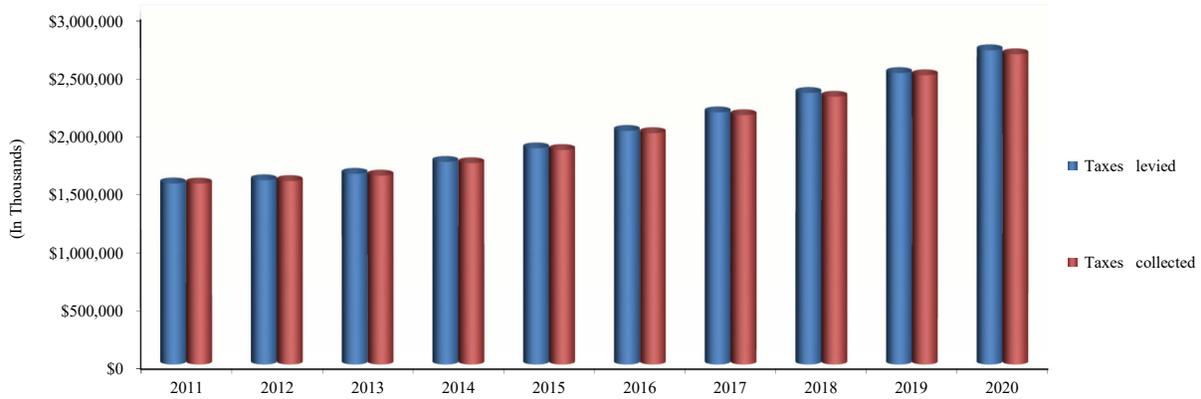
<sup>1</sup> Taxable assessed value includes locally and state assessed real and personal properties.

<sup>2</sup> Total taxable assessed value as of January 1, 2020 was about \$241 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 <sup>1</sup>	Debt Service Levy <sup>2</sup>				Total <sup>3</sup>	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
		Local	Special	Schools	Cities						
	Countywide	Districts									
2011	\$ 1,432,623	\$ 1,240	\$ 118,720	\$ 5,341	\$ 1,557,924	\$ 1,539,265	98.80%	\$ 17,724	\$ 1,556,989	99.94%	
2012	1,448,224	1,233	130,692	5,349	1,585,498	1,564,562	98.68%	14,131	1,578,693	99.57%	
2013	1,496,295	1,235	137,591	5,442	1,640,563	1,615,533	98.47%	9,927	1,625,460	99.08%	
2014	1,584,637	1,233	151,643	5,362	1,742,875	1,723,890	98.91%	7,776	1,731,666	99.36%	
2015	1,672,818	1,237	179,632	5,347	1,859,034	1,838,579	98.90%	6,224	1,844,803	99.23%	
2016	1,800,795	1,716	201,131	5,051	2,008,693	1,985,831	98.86%	3,575	1,989,406	99.04%	
2017	1,936,533	1,636	224,731	4,865	2,167,765	2,142,107	98.82%	1,353	2,143,460	98.88%	
2018	2,088,094	1,897	239,323	4,880	2,334,194	2,302,415	98.64%	(740)	2,301,675	98.61%	
2019	2,254,498	2,742	242,669	4,908	2,504,817	2,483,644	99.15%	2,049	2,485,693	99.24%	
2020	2,412,891	2,825	279,525	4,816	2,700,057	2,665,985	98.74%	n/a	2,665,985	98.74%	

**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.

<sup>1</sup> Figures show general tax dollars from secured, unsecured, homeowners, unitary and utility assessment rolls after tax shifts to schools.

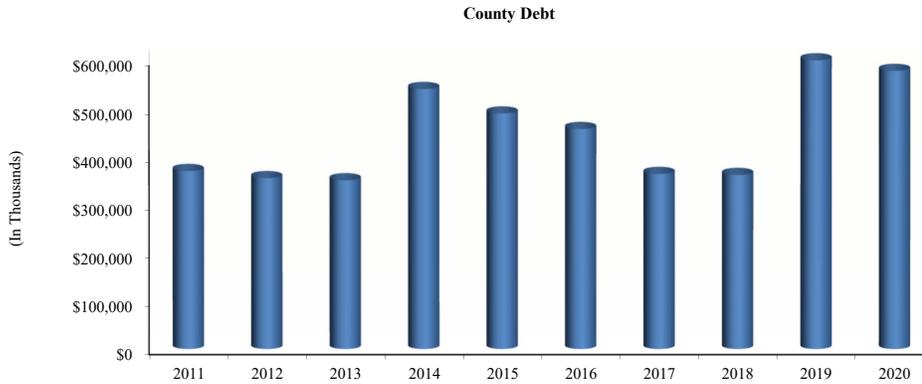
<sup>2</sup> Figures represent debt service levy for the local taxing agencies.

<sup>3</sup> 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 <sup>1</sup>	Certificates of Participation <sup>2</sup>	Revenue Refunding Bonds <sup>3</sup>	Notes Payable	Other Long-term Obligation	Subtotal	Notes Payable	Other Long-term Obligation	Subtotal			
2011	\$ 339,076	\$ 23,076	\$ -	\$ 154	\$ 4,047	\$ 366,353	\$ 3,863	\$ 181	\$ 4,044	\$ 370,397	0.64%	\$ 511
2012	326,750	22,709	-	134	2,894	352,487	3,139	-	3,139	355,626	0.55%	488
2013	324,091	22,322	-	124	1,887	348,424	2,818	-	2,818	351,242	0.53%	477
2014	513,149	21,914	-	124	1,486	536,673	3,865	-	3,865	540,538	0.76%	725
2015	460,065	23,436	-	-	2,293	485,794	4,000	-	4,000	489,794	0.62%	698
2016	432,360	-	18,725	-	2,946	454,031	3,511	-	3,511	457,542	0.55%	667
2017	339,390	-	18,095	-	2,613	360,098	3,116	1,158	4,274	364,372	0.40%	618
2018	336,157	-	17,465	-	4,441	358,063	2,706	1,409	4,115	362,178	0.37%	569
2019	608,022	-	19,076	-	4,397	631,495	2,277	1,138	3,415	634,910	0.62%	738
2020	570,202	-	- <sup>4</sup>	-	4,249	574,451	2,207	1,337	3,544	577,995	n/a	747



Source: County Comprehensive Annual Financial Reports.

Notes:

- <sup>1</sup> 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. Data for FY 2014-15 to FY 2018-19 includes retroactive revisions based on corrections to the categorization.
- <sup>2</sup> 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.
- <sup>3</sup> In FY 2015-16, the San Mateo County Flood Control District issued \$21.5 million Revenue Refunding Bonds to refund the certificates of participation.
- <sup>4</sup> In FY 2019-20, Revenue Refunding Bonds were transferred out of the County as part of the transition of the Colma Creek Flood Control District from the County's reporting entity pursuant to Assembly Bill No. 825.

**COUNTY OF SAN MATEO**  
**Direct and Overlapping Debt**  
**As of June 30, 2020**  
**(In Thousands)**

Assessed valuation (including unitary utility valuation)	\$ 241,289,141		
Redevelopment Incremental Assessed Valuation	\$ 23,902,547		
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
	<b>Debt</b>	<b>Estimated</b>	<b>Estimated</b>
	<b>Outstanding</b>	<b>Percentage</b>	<b>Share of</b>
		<b>Applicable<sup>1</sup></b>	<b>Overlapping</b>
			<b>Debt<sup>4</sup></b>
<b>Direct General Fund Obligation Debt</b>			
San Mateo County General Fund Obligations	\$ 570,202	100.00%	\$ 570,202
Other long-term obligations	4,249	100.00%	4,249
<b>Total direct debt</b>	574,451		574,451
<b>Overlapping General Fund Obligation Debt</b>			
<i>Cities</i>			
City of Burlingame General Fund and Pension Obligations	48,895	100.00%	48,895
City of Daly City Pension Obligations	15,025	100.00%	15,025
City of Pacifica General Fund Obligations and Pension Obligations	23,535	100.00%	23,535
City of San Mateo General Fund Obligations	65,860	100.00%	65,860
City of South San Francisco General Fund Obligation Bonds	43,905	100.00%	43,905
Other City General Fund and Pension Obligations	29,293	100.00%	29,293
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	111,986	32.62%	36,533
Menlo Park Fire Protection District Certificates of Participation	9,910	100.00%	9,910
Highland Recreation District General Fund Obligations	2,422	100.00%	2,422
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	7,505	100.00%	7,505
South San Francisco Unified School District Certificates of Participation	3,390	100.00%	3,390
Jefferson Union High School District Certificates of Participation	6,947	100.00%	6,947
Portola Valley School District Certificates of Participation	1,450	100.00%	1,450
San Bruno School District General Fund Obligations	2,820	100.00%	2,820
<b>Total overlapping general fund obligation debt</b>	372,943		297,490
<b>Overlapping Tax and Assessment Debt</b>			
<i>Cities</i>			
	46,735	100.00%	46,735
<i>Special Districts</i>			
Midpeninsula Open Space Park District	88,810	32.62%	28,972
Montara Sanitary District	8,785	100.00%	8,785
Community Facilities Districts	100,845	100.00%	100,845
1915 Act Bonds	9,842	100.00%	9,842
<i>School Districts</i>			
San Mateo Community College District	766,684	100.00%	766,684
Cabrillo Unified School District	129,072	100.00%	129,072
La Honda-Pescadero Unified School District	8,985	100.00%	8,985
South San Francisco School District	167,147	100.00%	167,147
Jefferson Union High School District	276,000	100.00%	276,000
San Mateo Union High School District	623,907	100.00%	623,907
Sequoia Union High School District	512,465	100.00%	512,465
Belmont-Redwood Shores School and School Facilities Improvement Districts	117,607	100.00%	117,607
Burlingame School District	138,392	100.00%	138,392
Hillsborough School District	76,317	100.00%	76,317
Jefferson School District	105,030	100.00%	105,030
Menlo Park City School District	130,616	100.00%	130,616
Millbrae School District	52,555	100.00%	52,555
Redwood City School District	192,274	100.00%	192,274
San Carlos School District	112,881	100.00%	112,881
San Mateo - Foster City School District	282,727	100.00%	282,727
Other School District	269,210	100.00%	269,210
<b>Total overlapping tax and assessment debt</b>	4,216,886		4,157,048
<b>Overlapping Tax Increment Debt</b>			
	155,672	100.00%	155,672
<b>Total overlapping debt</b>	4,745,501		4,610,210
<b>Total direct and overlapping debt</b>	\$ 5,319,952 <sup>2</sup>		\$ 5,184,661
Ratio of total direct and overlapping debt to adjusted assessed value:			
	2.20%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value <sup>3</sup> of \$23,902,547			
	0.65%		

Source: California Municipal Statistics, Inc.

<sup>1</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the county.

<sup>2</sup> This total excludes enterprise revenue, mortgage revenue, tax and revenue anticipation notes, and non-bonded capital lease obligations.

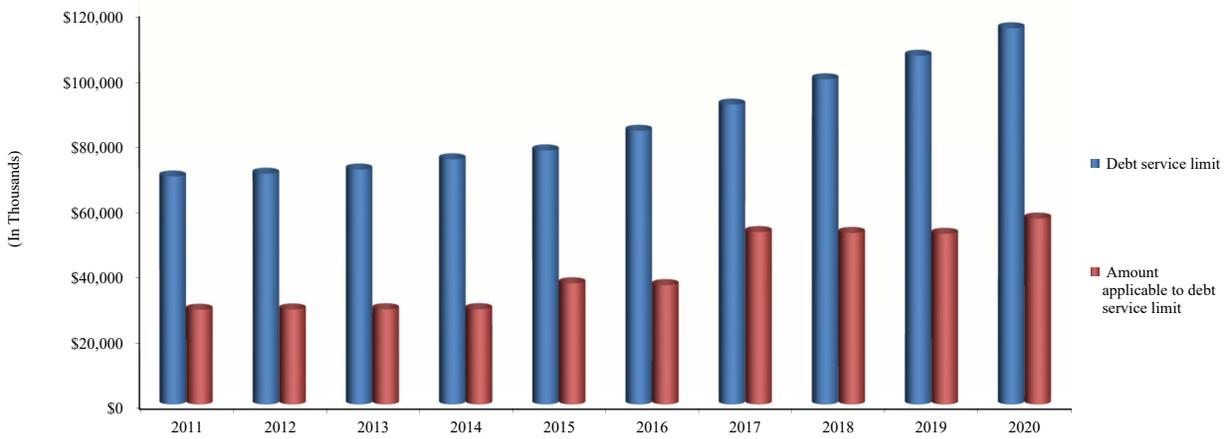
<sup>3</sup> Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment.

<sup>4</sup> 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>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>2020</u>
Average Annual County budget <sup>1</sup> for the current and preceding four fiscal years	\$ 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	\$ 2,876,603
Legal debt service limit <sup>2</sup> 4% of average county annual budget for the current and preceding four fiscal years	69,906	70,757	72,032	75,151	77,849	83,839	91,816	99,517	106,682	115,064
Less: Amount applicable to debt service limit <sup>3</sup>	(28,904)	(28,996)	(29,065)	(29,086)	(36,996)	(36,436)	(52,661)	(52,384)	(52,119)	(56,781)
Legal debt service margin	<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>	<u>\$ 58,283</u>
Legal debt service margin as a percentage of debt service limit	58.65%	59.02%	59.65%	61.30%	52.48%	56.54%	42.65%	47.36%	51.15%	50.65%

**Legal Debt Service Limit**



Source: County's Adopted Budget Books

Notes:

<sup>1</sup> The annual County budget represents the adopted annual budget of all funds in the County.

<sup>2</sup> 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.

<sup>3</sup> 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	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest	
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
2020	3,938	4,675	508	0.76

**2009 Lease Revenue Bonds**

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.

General Fund, SB1732, Federally Qualified Health Center reimbursement, and tobacco settlement.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest	
2011	\$ 10,434	\$ 4,440	\$ 5,993	1
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
2020	9,884	6,815	3,068	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	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	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
2020	3,069	1,385	1,684	1.00

**2014 Lease Revenue Bonds**

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.

County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	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
2020	20,484	14,690	5,794	1.00

**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 (ii) to pay costs relating to the refunding of the 2008 Bonds.

**Funding Source:** County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest	
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
2020	7,744	3,550	4,194	1.00

**1993 Satellite Clinic**

To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.

Heath department.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest	
2017	\$ -	\$ -	\$ -	-
2018	925	233	692	1.00
2019	955	227	728	1.00
2020	995	220	775	1.00

(Continued)

**COUNTY OF SAN MATEO**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	<u>2018 Lease Revenue Bonds</u>	<u>2019 Revenue Refunding Bonds</u>
<b>Purpose:</b>	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.	Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, and (ii) pay costs of issuance.
<b>Funding Source:</b>	County departments occupying the facilities.	County departments occupying the facilities.

<u>Fiscal Year</u>	<u>Available</u>	<u>Debt Service</u>		<u>Coverage</u>	<u>Available</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>ratio</u> <sup>1</sup>	<u>Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>ratio</u> <sup>1</sup>
2019	\$ 1,669	\$ -	\$ 1,669	1.00	\$ -	\$ -	\$ -	-
2020	10,013	-	10,013	1.00	\$ 552	\$ -	\$ 552	1.00

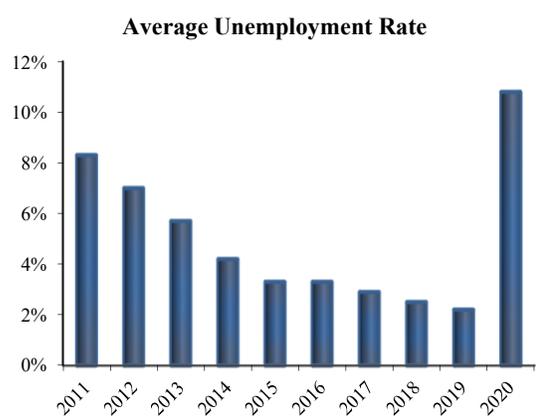
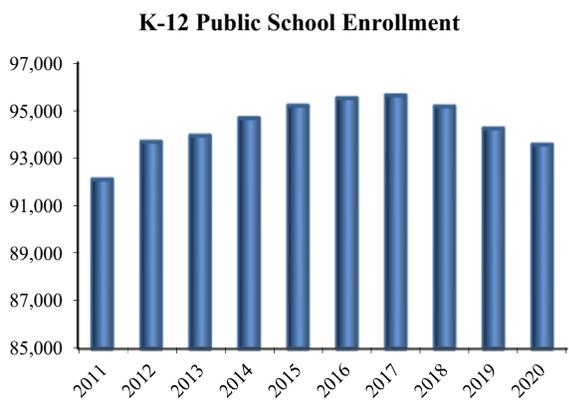
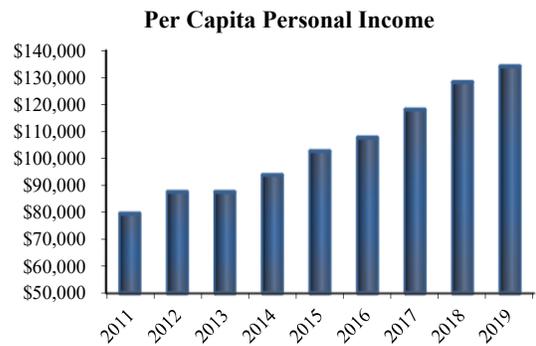
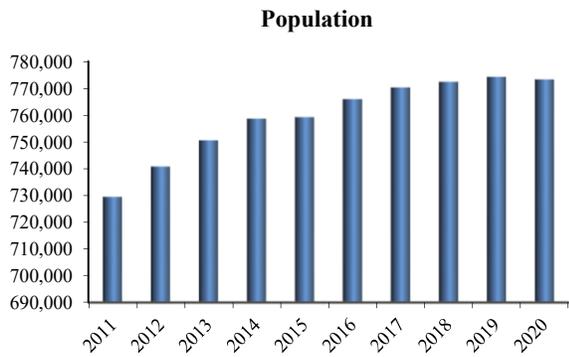
Sources:

Available revenue - per contributions from responsible departments.  
Principal and interest - per debt service schedules.

<sup>1</sup> 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**

<b>Year</b>	<b>Population<sup>1</sup></b> (January 1st)	<b>Total Personal Income<sup>5</sup></b> (in millions)	<b>Per Capita Personal Income<sup>5</sup></b>	<b>Median Age<sup>4</sup></b>	<b>K-12 Public School Enrollment<sup>2</sup></b>	<b>Average Unemployment Rate<sup>3</sup></b>
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	71,027	93,802	39.4	94,667	4.2%
2015	759,155	78,525	102,639	39.8	95,187	3.3%
2016	765,895	82,681	107,670	39.5	95,502	3.3%
2017	770,256	90,766	118,047	39.9	95,620	2.9%
2018	772,372	98,568	128,230	39.9	95,155	2.5%
2019	774,231	102,803	134,107	39.9	94,234	2.2%
2020	773,244	n/a	n/a	n/a	93,554	10.8% <sup>6</sup>



**Sources:**

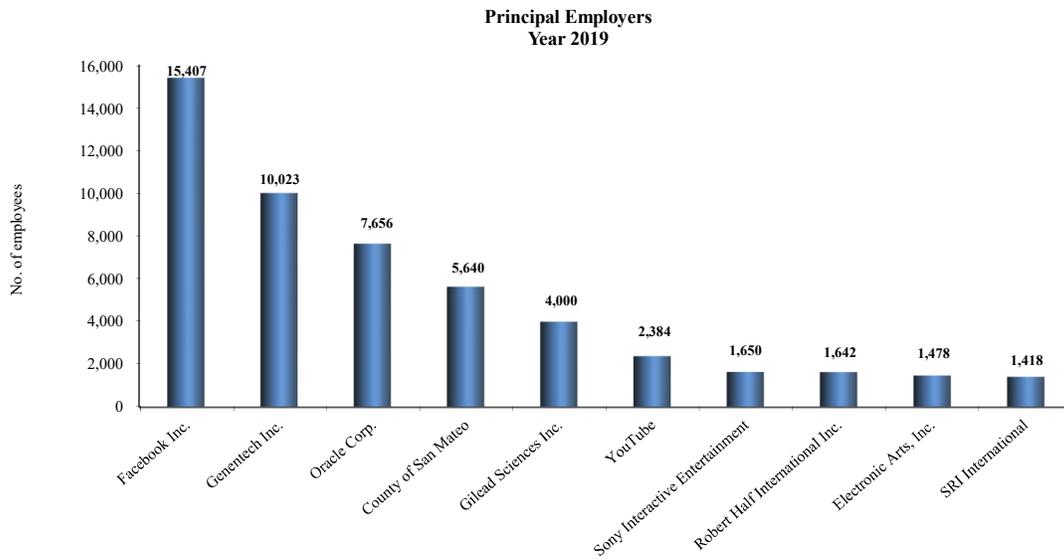
- <sup>1</sup> Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- <sup>2</sup> Data include retroactive revisions by the State of California Department of Education.
- <sup>3</sup> Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.
- <sup>4</sup> U.S. Census Bureau, American Community Survey.
- <sup>5</sup> Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.
- <sup>6</sup> Unemployment rate increased in FY 2020 due to COVID-19 pandemic.

**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 2019 and Year 2011**

Employer	Business Type	2019 <sup>1</sup>			2011		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Facebook Inc.	Social Network	15,407	1	3.91%	2,000	10	0.57%
Genentech Inc.	Biotechnology	10,023	2	2.54%	8,600	1	2.43%
Oracle Corp.	Hardware and Software	7,656	3	1.94%	7,000	2	1.98%
County of San Mateo	Government	5,640	4	1.43%	5,979	3	1.69%
Gilead Sciences Inc.	Biotechnology	4,000	5	1.02%			
YouTube	Online Video-Streaming Platform	2,384	6	0.61%			
Sony Interactive Entertainment	Interactive Entertainment	1,650	7	0.42%			
Robert Half International Inc.	Personnel Services	1,642	8	0.42%			
Electronic Arts, Inc.	Interactive Entertainment	1,478	9	0.38%	2,000	9	0.57%
SRI International	Nonprofit Research Institute	1,418	10	0.36%			
Kaiser Permanente	Health Care				3,855	4	1.09%
Visa Inc.	Global Payments Technology				3,100	5	0.88%
Mills Peninsula Health Services	Health Care				2,500	6	0.71%
San Mateo County Community College District	Public Education				2,115	7	0.60%
Safeway, Inc.	Retail Grocer				2,075	8	0.59%
<b>Total</b>		<b>51,298</b>		<b>13.02%</b>	<b>39,224</b>		<b>11.11%</b>



Source: San Francisco Business Times - 2020 Book of Lists.  
California Employment Development Department

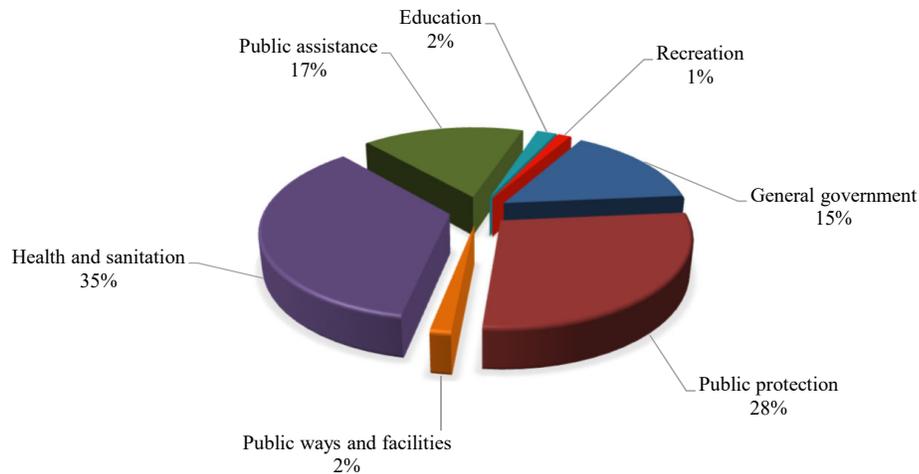
Notes:

<sup>1</sup> 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**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government	740	736	700	704	706	746	762	796	811	866
Public protection	1,423	1,389	1,422	1,454	1,531	1,545	1,581	1,606	1,621	1,592
Public ways and facilities	90	85	86	86	85	92	86	86	86	87
Health and sanitation	1,995	1,932	1,802	1,851	1,906	1,961	1,955	1,976	2,011	2,015
Public assistance	887	890	931	979	915	921	924	924	928	939
Education	-	112	108	108	109	110	109	111	111	113
Recreation	52	51	49	59	57	64	68	71	72	74
Total full-time equivalent employees <sup>1</sup>	5,187	5,195	5,098	5,241	5,309	5,439	5,485	5,570	5,640	5,686

**Full-time Equivalent County Employees by Function**  
**As of June 30, 2020**



Source: County's Budget System - County of San Mateo, California

Notes:

<sup>1</sup> 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 2018-2019**

<u>Function</u> <sup>1</sup>	<u>Fiscal Year</u> <sup>2</sup>	
	<u>2018</u>	<u>2019</u>
<b><u>General Government</u></b>		
<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	100%	100%
<i>Treasurer Tax Collector</i>		
Dollar earnings in County pool due to investments	\$73M	\$120M
<b><u>Public Protection</u></b>		
<i>District Attorney</i>		
Percent of clients rating victim services as good or better	90%	n/a
<sup>3</sup> Percent of cases where the District Attorney's Office makes contact with victims of crime	67%	83%
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general jurisdiction	18,603	20,197
<i>Sheriff's Office</i>		
Forensic Laboratory		
Percent of customers rating forensic laboratory services as good or better	100%	n/a
<sup>3</sup> Number of positive associations or new suspects identified through forensic analysis	281	285
Patrol Bureau		
Average response time for priority one calls	4.53	5.03
Number of life endangering interventions on railway system	40	40
Investigations Bureau		
Annual clearance rates of violent crimes	59%	63%
Maguire Correctional Facility		
Number of persons booked into custody	14,962	15,222
Court Security and Transportation Services		
Number of inmates transported annually per deputy	2,502	2,367
<i>Probation Department</i>		
Adult Services		
Percent of adult offenders successfully completing probation	83%	75%
Juvenile Services		
Percent of juvenile probationers completing probation without new sustained law violations	85%	95%
Institutions Services		
Percent of youth not committing a new law violation	77%	80%
<i>Coroner's Office</i>		
Percent of survey respondents rating services good or better	88%	n/a
<sup>3</sup> Percent of cases closed within 90 days	95%	94%
<b><u>Public Ways and Facilities</u></b>		
<i>Department of Public Works</i>		
Facilities Services		
Facilities Condition Measure		
Office/ Other Building	7.0%	6.0%
Detention	5.0%	4.0%
Health/ Hospitals	5.0%	5.0%
Construction Services		
Percent of jobs completed within budget/schedule	99%	100%
Waste management		
Number of resolved sewer/sanitation district customer requests related to sewer lateral back-ups	567	548

Source: County's Adopted Budget for FY 2019-20

n/a - not applicable

<sup>1</sup> Functions/programs operate by the County.

<sup>2</sup> The County continuously develops and updates new set of performance measures yearly.

<sup>3</sup> The latest information available for operating indicators by function in the County.

(Continued)

**COUNTY OF SAN MATEO**  
**Operating Indicators by Function**  
**Fiscal Years 2018-2019**

<b>Function</b> <sup>1</sup>	<b>Fiscal Year</b> <sup>2</sup>	
	<b>2018</b>	<b>2019</b>
<b><u>Health and Sanitation</u></b>		
<i>Health System</i>		
Health Administration		
Percent of stakeholders respondents rating services good or better	83%	n/a
<sup>3</sup> Average cost per capita	\$519	\$521
Health Coverage Unit		
Number of San Mateo County residents in Covered California	25,210	24,090
Emergency Medical Services		
Percent of ambulance emergency medical service calls responded to on time per contract standards	94%	93%
Community-Based Programs		
Percent of Adult Protective Services cases that are resolved and stabilized for at least twelve months	80%	78%
Environmental Health Services		
Percent of suspected food-borne illness complaints responded to within one business day	94%	99%
Mental Health Adult Services		
Percent of adults who receive a follow up visit within 7 days of an inpatient stay from a psychiatric hospital	50%	42%
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	68%	69%
<b><u>Public Assistance</u></b>		
<i>IHSS Public Authority</i>		
Average number of days it takes to provide a registry caregiver	13	11
<i>Human Services Agency</i>		
Key Performance Measures		
Percent of public assistance applications that are processed within State standards for timeliness		
Medi-Cal	77%	82%
CalFresh	90%	91%
CalWorks	95%	97%
Percent of Children who Exited to a Permanent Home Within 12 Months of Entering Foster Care	57%	52%
Percent of foster youth graduating from high school or in GED	75%	81%
Percent of residents receiving nutritional assistance through CalFresh benefits from total estimated population below the poverty limit	46%	n/a
Vocational Rehabilitation Services (VRS)		
Overall satisfaction rated good or better for all VRS services	92%	93%
Childcare Services		
Percent of clients residing in homeless transitional shelters that are connected to mainstream services and benefits	87%	84%
Percent of clients receiving food assistance by Core Service Agencies	99%	n/a
<sup>3</sup> Number of clients served by Core Service Agencies	25,927	26,143
<b><u>Department of Housing</u></b>		
Housing & Community Development		
Number of households benefitting directly from County administered loans and grants for home purchase, repair, or rehabilitation	182	103
Housing Authority		
Number of individuals and families through Provider Based Assistance Program	48	71
<b><u>Recreation</u></b>		
<i>Parks &amp; Recreation</i>		
Percent of customers rating services and experiences 'good' or 'excellent'	94%	94%
<i>Coyote Point Marina</i>		
Percent of customers rating marina services and experiences 'good' or 'excellent'	93%	97%

Source: County's Adopted Budget for FY 2019-20

n/a - not applicable

<sup>1</sup> Functions/programs operate by the County.

<sup>2</sup> The County continuously develops and updates new set of performance measures yearly.

<sup>3</sup> The latest information available for operating indicators by function in the County.

**COUNTY OF SAN MATEO**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>									
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Governmental Activities:</b>										
<b>General government</b>										
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	5
Parking structures	2	2	2	2	2	2	2	2	2	1
<b>Public protection</b>										
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	3	3	3	2
Youth services center	1	1	1	1	1	1	1	1	1	1
<b>Public ways and facilities</b>										
Road										
Pavement (miles)	315.39	315.50	315.50	315.50	315.80	316.10	316.20	316.23	316.23	316.16
Bridges	31	32	33	33	33	33	33	33	33	33
Traffic signals	19	19	19	19	19	19	19	19	19	19
Flashing Beacons	4	4	4	4	4	4	4	2	6	6
Lighted Crosswalks	4	4	4	4	6	6	8	6	14	14
Radar Feedback signs	11	11	11	11	11	11	14	11	22	24
Sewer and water										
Sewer:										
Sanitary sewers (miles)	144.18	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	21	21
Storage capacity (thousands of gallons)	710	710	710	710	710	710	710	850	850	850
Lighting										
Street lights	2167	2167	2179	2193	2194	2194	2197	2197	2197	2,199
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	- <sup>1</sup>
<b>Health and sanitation</b>										
Warehouse	2	2	2	2	2	2	2	2	2	1
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	1	1	1	1	1	3	3	3
<b>Public assistance</b>										
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
Animal Shelter	-	-	-	-	-	-	-	-	-	1
<b>Recreation</b>										
Parks	19	19	19	19	19	20	20	20	20	23
<b>Business-type Activities:</b>										
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:

<sup>1</sup> Per Assembly Bill No. 825, the County transferred oversight of the Colma Creek Flood Control District to the San Mateo Flood and Sea Level Rise Resiliency District.



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