

Annual Comprehensive Financial Report

# COUNTY OF SAN MATEO, CALIFORNIA

Fiscal Year Ended June 30, 2024



**Juan Raigoza, Controller**

# County of San Mateo, California

Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2024



**Juan Raigoza**  
**Controller**

**COUNTY OF SAN MATEO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Fiscal Year Ended June 30, 2024**

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## **INTRODUCTORY SECTION**

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**COUNTY OF SAN MATEO**  
OFFICE OF THE CONTROLLER

**Juan Raigoza**  
Controller

**Kristie Silva**  
Assistant Controller

**Kim-Anh Le**  
Deputy Controller

**Patrick Enriquez**  
Deputy Controller

**County Government Center**  
555 County Center, 4th Floor  
Redwood City, CA 94063  
650-363-4777  
<https://smcgov.org/controller>

December 23, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the County of San Mateo (County) for the fiscal year ended June 30, 2024 is hereby published.

Management assumes full responsibility for the completeness and reliability of the information contained in the ACFR 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, 2024. 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 4-20 of this report, provides a narrative introduction, overview, and analysis of the County's 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 741,565 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 to residents who do not live in a city's limits but live in an unincorporated area of the County. Additionally, the County provides a vast array of other services for all County residents 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 Executive Officer/Clerk of the Board, the County Attorney, and members of various boards, commissions, and committees. The County Executive Officer, in turn, appoints the directors of most County departments. The County Chief Probation Officer is appointed by the Judicial Council of California. Six elected officials are responsible for other County departments, that include 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 the County's liquidity and long-term investment needs. The Board established an eight-member oversight committee under State law to monitor the management of public funds in the investment pool. The oversight committee meets at least three times a year to evaluate general strategies, monitor results, and evaluate the economic outlook, portfolio diversification, maturity structure, and potential risks to the invested funds. The Board reviews and approves the Investment Policy annually. The foundation of the County Investment Policy is in the priority order of safety, liquidity, and yield. The County pool is not only designed as an income fund to earn a reasonable rate of return but also attempts to match maturities with capital expenditures and other planned outlays. The current County Investment Policy was approved by the Board on February 27, 2024. 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 Executive Officer to amend the Fund Balance Policy by changing the year-end Fund Balance split with General Fund departments to 50/50. This policy was further amended in 2024 to eliminate a department's year-end fund balance adjustment amount once its reserves exceed a maximum amount. 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.

Any taxes contributed by the County, cities, and special districts to the Educational Revenue Augmentation Fund (ERAF) that are in excess of the total amount that school districts are eligible to receive annually are returned to the local taxing agencies in the same proportion as their contributions to the ERAF. In 2011, the Board authorized the use of 50% of these taxes for ongoing purposes. The remaining 50% of these taxes are only to be used for one-time purposes as described in the County Reserves Policy.

The County Reserves Policy, updated by the Board on September 24, 2024, also requires that: General Fund reserves be maintained at a minimum of 15% of total General Fund net appropriations; Department reserves be maintained at a minimum of 4% of their net appropriations; Non-Departmental Services reserves be maintained at 6% of total General Fund net appropriations in Non-Departmental Services; and appropriations for contingencies be maintained at 5% of total General Fund net appropriations.

## **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, the general fund and sixteen special revenue funds (listed on page 122) are appropriated annually. The County Executive's Office prepares a budget for all governmental funds 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 department, division, and fund budget unit level. 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 Executive Officer 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 refunding 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.

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## Long-Term Financial Planning

### Employees' Retirement Plan and Other Postemployment Benefits (OPEB)

As of June 30, 2024, the County's net pension liability was \$823.2 million up from prior year's \$693.3 million, per actuarial computations based on Governmental Accounting Standards Board Statement No. 68. Using a discount rate of 6.42%, the plan's funded ratio was 87.3% as of June 30, 2024, down from prior year's 88.5%.

Contributions from the County to the pension plan totaled \$175.7 million in FY 2023-24. The County's Board has approved making supplemental contributions to the pension plan of \$50 million in FY 2024-25 and \$50 million in FY 2029-30 to maintain a minimum average employer contribution rate of 27% of payroll.

The County also administers an "other postemployment benefits" (OPEB) Retiree Health Plan to members who retire from the County and are eligible to receive a pension from San Mateo County Employees' Retirement Association. 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 to help pay their retiree health premiums.

For the year ended June 30, 2024, the County contributed \$28.7 million to the Retiree Health Plan. Using a discount rate of 5.75%, the plan's funded ratio was 83.1% as of June 30, 2024, down from prior year's 84.3%. The County's total net OPEB liability was \$76.6 million as of June 30, 2024, up from prior year's OPEB liability of \$68.0 million.

### Infrastructure

The County is investing significantly in County buildings and other infrastructure. During FY 2023-24, the County's capital assets (land, buildings, equipment, etc.) net of depreciation increased by \$226.9 million, mostly from the construction of new buildings. Some new buildings have been placed into service while others remain in progress. The increase to capital assets was primarily due to increases to construction-in-progress related to the Health System Center Campus Upgrade and the Cordilleras Mental Health Facility.

The Adopted Budget for FY 2024-25 includes a total of \$425 million for capital projects funded by bonds, General Fund, Measure K taxes, and other funding sources. Major capital projects that are under construction in FY 2024-25 include the South San Francisco Health Campus, County Office Building 3, Flood Park, San Mateo County Resiliency Center, Pescadero Fire Station, and Tunitas Creek Beach Improvement Project.

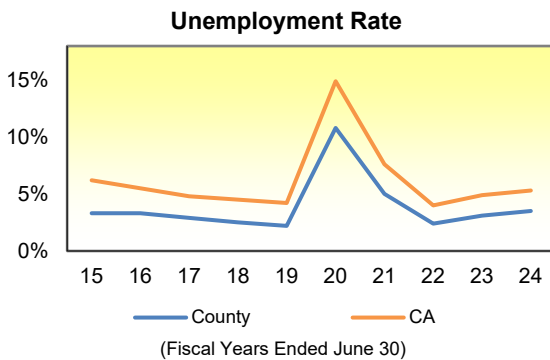
### Sea-Level Rise and Other Climate-Related Impacts

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 these risks, the County assisted in the creation of the San Mateo County Flood and Sea Level Rise Resiliency District (OneShoreline), an independent district governed by a separate Board, to focus on addressing sea-level rise, flooding, and coastal erosion. The County also developed a wildfire fuel management program to mitigate wildfire threats in County parks.

**Local Economic Indicators**

**Employment**

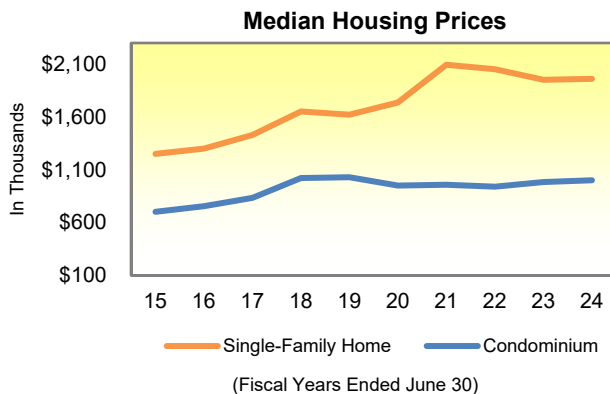
- County had 15,800 unemployed residents as of June 2024, up from 14,000 in June 2023.
- County’s unemployment rate was 3.5% for June 2024, up from 3.1% in June 2023. California’s rate was 5.3% as of June 2024.
- As usual, among California’s 58 counties the County recorded the lowest unemployment rate as of June 2024.



Source: California Employment Development Department

**Residential Property**

- County’s median single-family house price increased by 0.5% to \$1,960,000 in June 2024 from \$1,950,000 in June 2023.
- County’s median condominium price increased by 1.8% to \$1,000,000 in June 2024 from \$982,500 in June 2023.



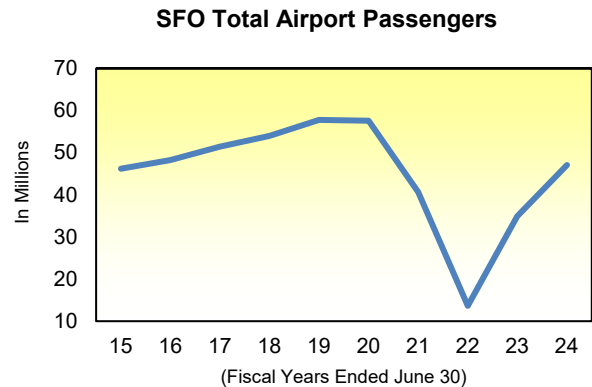
Source: San Mateo County Association of Realtors, based on statistics of MLSListings, Inc.

**Commercial Property**

- County’s office vacancy rate for quarter ended June 2024 was at 10.8%, higher than 8.5% for June 2023 and 9.2% for June 2022. It increased to 11.2% for the recent quarter ended September 2024.
- Average asking rate to lease office space in the County decreased to \$6.39 per square foot for quarter ended June 2024 from \$6.53 for June 2023. It was \$6.35 for the quarter ended September 2024.

**Tourism**

- San Francisco Airport’s total passenger volume increased 9% to 51.3 million for year ended June 2024, up from 47.1 million in prior year. The volume as of June 2019 (pre-pandemic) was 57.4 million passengers served.



Source: SFO Comparative Traffic Reports

**Taxable Sales**

- Taxable sales throughout the County decreased by 3.0% to \$23.2 billion for year ended June 2024, down from prior year’s \$23.9 billion, and up from \$21.9 billion for year ended June 2022.

**Median Family Income & Per Capita Income**

- County’s estimated median family income was \$183,827 for 2023 (latest data), a 2.2% increase from \$179,788 for 2022.
- County’s estimated per capita personal income, the second highest among California’s 58 counties, was \$172,828 for 2023 (latest data), a 6.1% increase from \$162,863 for 2022.

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## Economic and Financial Outlook

Global economic growth, measured by Gross Domestic Product (GDP), is projected to increase 3.2% in 2024 per the International Monetary Fund (IMF). The 2023 growth rate was 3.3% while the 2025 rate is forecasted to be 3.2%. The United States' GDP is projected to increase by 2.8% in 2024, compared to 2.9% in 2023, and by 2.2% in 2025. While global GDP growth is expected to remain flat, the rate for the U.S. is projected to go down.

Per U.S. Bureau of Economic Analysis's recently released 2023 edition of GDP statistics by county, San Mateo County was ranked No. 15 among the largest counties measured by GDP. The County's economy was worth \$203 billion – its GDP grew by 7.7%, the most among these large counties.

Prices of goods and services have increased throughout the world. Per U.S. Bureau of Labor Statistics, the San Francisco Bay Area Consumer Price Index (CPI) grew 2.4% for the year-ended October 2024, down from 2.8% for the year-ended October 2023. Lower inflation rates tend to improve the purchasing power of governments, businesses, and individual consumers, which generally result in a positive impact to the economy.

As of November 2024, the County's unemployment rate was 3.5% (the lowest rate among California's 58 counties), slightly higher than its 3.3% rate for November 2023. The County's rate is lower than both the State's rate of 5.3% and the U.S. rate of 4.2% for November 2024. For additional statistics see prior page titled Local Economic Indicators.

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

Countywide assessed property values increased by 6.87% to \$310 billion in fiscal year (FY) 2023-24. Property values experienced their fourteenth consecutive year of record growth in FY 2024-25, the current in-progress year, in which the value (as of the lien date of January 1, 2024) of assessed properties increased by 5.75% to \$325 billion, increasing the countywide multi-jurisdictional property tax revenue base to \$3.25 billion for FY 2024-25. These tax revenues are distributed to local government agencies (school districts, cities, special districts, and County) that provide services to County residents.

Home prices reflect the general demand for homes and desirability of living within the County. In recent years, the growth in home prices has slowed. Current 30-year home mortgage interest rates are double what they were in 2021, which has reduced homebuyers' ability to purchase homes within the County's high-cost housing market. Per the San Mateo County Association of Realtors, the County's median single-family home price in October 2024 was \$1,920,000, a slight decrease of 0.1% from \$1,940,000 as of October 2023. The County's median condominium home price decreased 3.8% to \$875,000 as of October 2024 from \$910,000 in October 2023.

Local office and other commercial properties' vacancy and leasing rates are indicators of overall business activity and general economy within the County. Per Collier's Peninsula commercial real estate market report, the average asking rate to lease office space in the County decreased by 3.8% to \$6.35 for the quarter ended September 2024, from \$6.58 for the quarter ended September 2023. Meanwhile, the County's vacancy rate for office space increased to 11.2% for the quarter ended September 2024, from 8.9% for the quarter ended September 2023.

## Meeting the Future

While some current national and County level economic indicators are showing improvement others are not. Current 30-year home mortgage interest rates are constraining local homes sales and prices nationally and locally. Higher than normal office space vacancy rates show softness in the local economy.

On a positive note, the Bay Area's inflation rate (per Bay Area Consumer Price Index) decreased to 2.4% for the 12-month period ending October 2024 from its recent high of 6.8% for the year ending in June 2022. While prices of gasoline for vehicles have gone down, prices for home utilities (electricity and gas) have gone up.

Announced job losses by some local companies continued this last year and may dampen the local economy in the near-term. Nonetheless, the County's diversified local economy, skilled workforce, and desirable location for residents to live and companies to conduct business, should enable the local economy to grow. The County's consistently low unemployment rate and solid GDP rate reflects the general strength of the local economy.

Passenger volume at the San Francisco International Airport increased by 9% to 51.3 million passengers for the year ended June 2024. Pre-pandemic passenger volume for the year ended June 2019 totaled 57.4 million. Since the airport is a significant economic engine within the County, this ongoing recovery due to increased tourism and business activity is having a positive impact on the local economy.

With respect to the local commercial real estate market, the average leasing asking rate for office space has been hovering between \$6.00 and \$6.50 per square foot during the last four years. Vacancy rates for office space in the County are at 11.2% for the most recent quarter ended September 2024. Interestingly, per Collier's San Francisco Office Market Report for the quarter ended September 2024, the office vacancy rate in the neighboring County/City of San Francisco was 30.7% - much higher than in San Mateo County. These higher than historical vacancy rates in the Bay Area and most of the U.S. reflect shifts in behavior, such as increased teleworking and hybrid work schedules, initiated during the pandemic.

Property values as of January 1, 2024, the current in-progress tax year (FY 2024-25), increased by 5.7%. The slowdown in residential and commercial property markets may reduce the growth rate, compared to prior years, of next year's (FY 2025-26) assessed property values and property tax revenues.

## **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 fiscal year ended June 30, 2023 Annual Comprehensive Financial Report (ACFR). This was the twenty-fourth consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The 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 ACFR, for fiscal year ended June 30, 2024, 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, for the twenty-second consecutive year, the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2023. The Popular Annual Financial Report (PAFR), also known as the Financial Highlights report, presents information from the ACFR in a more concise and easy-to-read manner.

**Acknowledgments**

Our 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 ongoing dedication of County leaders, managers, fiscal officers, and staff. Their daily work helps to ensure the financial transparency, stability, and integrity of the County. I would like to acknowledge the extra efforts to prepare 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, County Executive's Office, and all County departments, agencies, and employees for planning and conducting the County's business in a fiscally responsible manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "Juan Raigoza". The signature is written in a cursive style with a large initial "J" and "R".

Juan Raigoza Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of San Mateo  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

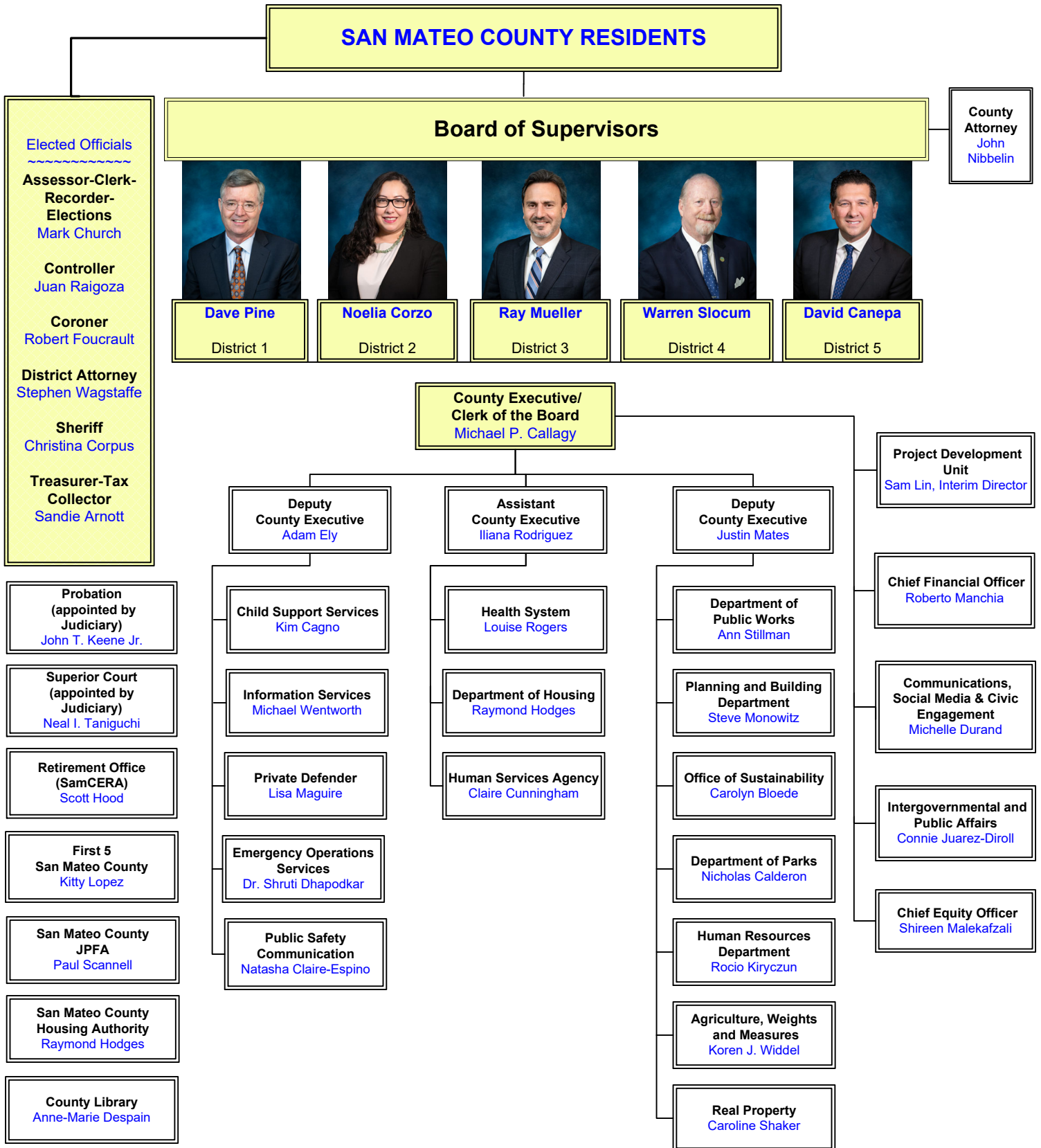
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



**COUNTY OF SAN MATEO**  
**Organization Chart**  
 June 30, 2024



**COUNTY OF SAN MATEO**  
**Public Officials**

**ELECTED OFFICIALS**

Board of Supervisors:	
Supervisor – District 1	Dave Pine
Supervisor – District 2	Noelia Corzo
Supervisor – District 3	Ray Mueller
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	Christina Corpus
Treasurer-Tax Collector	Sandie Arnott

**APPOINTED OFFICIALS**

County Executive/Clerk of the Board – <i>(appointed by Board of Supervisors)</i>	Michael P. Callagy
Assistant County Executive – <i>(appointed by County Executive)</i>	Iliana Rodriguez
Deputy County Executive – <i>(appointed by County Executive)</i>	Justin Mates
Deputy County Executive – <i>(appointed by County Executive)</i>	Adam Ely
County Attorney – <i>(appointed by Board of Supervisors)</i>	John Nibbelin
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 Executive)</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	Ann Stillman
Health System	Louise Rogers
Human Resources	Rocio Kiryczun
Human Services Agency	Claire Cunningham
Information Services	Michael Wentworth
Planning and Building	Steve Monowitz
Office of Sustainability	Carolyn Bloede
Public Safety Communication	Natasha Claire-Espino
Office of Emergency Services	Dr. Shruti Dhapodkar
Project Development Unit	Sam Lin (Interim)
Real Property	Caroline Shaker

**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 Audit of the Financial Statements

#### *Opinions*

We have audited the 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 fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 collectively represent the following percentages of the assets, net position/fund balances, and revenues/additions of the following opinion units as of and for the fiscal year ended June 30, 2024.

Opinion Unit	Assets	Net Position / Fund Balances	Revenues / Additions
Business-type activities	22%	45%	27%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	53%	55%	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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the HPSM were not audited in accordance with *Government Auditing Standards*.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***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 liability (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 the budgetary comparison schedule – General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

The County's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, 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 23, 2024



**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, 2024

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, 2024. 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 2023-24 by \$4.7 billion (*net position*):

- \$1,359.6 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.
- \$424.4 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*).
- \$2,946.9 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$576.9 million to \$4.7 billion over the year. The positive change in County's net position indicates that the financial position of the County is improving.

- \$583.2 million increase in net position was derived from governmental activities with \$111.1 million increase in unrestricted interest and investment earnings, \$60.0 million increase in operating grants and contributions, and \$44.2 million increase in miscellaneous revenue.
- \$6.3 million decrease in net position was derived from business-type activities with \$18.9 million decrease from the Medical Center, \$5.7 million increase from the Housing Authority, and \$8.4 million increase from Airports.

**Fund financial position**

The County's governmental funds reported combined fund balances of \$3.0 billion at the close of fiscal year, an increase of \$356.2 million compared to the prior year fund balance. About \$2.4 billion (sum of assigned and unassigned fund balances) of this amount, or 82%, is available for spending at the County's discretion.

**Capital assets and debt administration**

The County's *capital assets* increased \$226.9 million to \$1,929.3 million with \$1,829.3 million for the governmental activities and \$100.0 million for the business-type activities. The increase was mainly from \$259.4 million decrease in construction in progress, \$459.7 million increase in structure and improvements from completion of construction projects and building acquisitions, \$21.8 million increase in land from building acquisitions, and \$4.3 million increase in equipment for County Office Building 3.

The County's total outstanding *long-term debt*, (including lease revenue bonds, leases payable, subscriptions payable, notes payable, and other long-term obligations) decreased \$36.4 million to \$713.7 million. The decrease was mainly due to the scheduled payment for outstanding debt totaling \$16.6 million. In addition, the County issued 2024A Bond for \$69.8 million (\$61.3 million in par value and \$8.5 million in bond premium) to refund 2014 Bonds of \$67.9 million in par value.



**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2024

**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 21-23 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, private purpose trust funds, and custodial 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'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*.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2024

The County maintains 18 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 24-27 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 28-31 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 32-33 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.

**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 34-98 of this report.*

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2024

**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 99-119 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 120-163 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:

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percentage
Current and other assets	\$4,033,454	\$3,565,734	\$ 337,634	\$ 336,052	\$4,371,088	\$3,901,786	\$ 469,302	12%
Lease assets	49,853	49,636	28,677	31,163	78,530	80,799	(2,269)	-3%
Subscription assets	11,834	8,005	1,719	542	13,553	8,547	5,006	n/a
Capital assets	1,829,278	1,614,138	99,974	88,207	1,929,252	1,702,345	226,907	13%
Total assets	<u>5,924,419</u>	<u>5,237,513</u>	<u>468,004</u>	<u>455,964</u>	<u>6,392,423</u>	<u>5,693,477</u>	<u>698,946</u>	12%
Deferred outflows of resources	632,114	652,190	116,920	120,433	749,034	772,623	(23,589)	-3%
Long-term liabilities	755,794	790,776	21,433	20,876	777,227	811,652	(34,425)	-4%
Lease liabilities	53,738	51,871	31,132	33,011	84,870	84,882	(12)	0%
Subscription liabilities	11,054	7,269	1,670	542	12,724	7,811	4,913	n/a
Net pension liability	660,715	553,002	162,504	140,331	823,219	693,333	129,886	19%
Net OPEB liability	62,682	55,391	14,453	13,027	77,135	68,418	8,717	13%
Other liabilities	395,402	408,750	153,790	161,782	549,192	570,532	(21,340)	-4%
Total liabilities	<u>1,939,385</u>	<u>1,867,059</u>	<u>384,982</u>	<u>369,569</u>	<u>2,324,367</u>	<u>2,236,628</u>	<u>87,739</u>	4%
Deferred inflows of resources	56,297	45,004	29,797	30,372	86,094	75,376	10,718	14%
Net position:								
Net investment in capital assets	1,263,970	1,089,895	95,670	84,379	1,359,640	1,174,274	185,366	16%
Restricted	422,590	380,203	1,846	1,455	424,436	381,658	42,778	11%
Unrestricted	2,874,291	2,507,542	72,629	90,622	2,946,920	2,598,164	348,756	13%
Total net position	<u>\$4,560,851</u>	<u>\$3,977,640</u>	<u>\$ 170,145</u>	<u>\$ 176,456</u>	<u>\$4,730,996</u>	<u>\$4,154,096</u>	<u>\$ 576,900</u>	14%

**Analysis of Net Position.** The County’s net position increased \$576.9 million, or 14%, to \$4.7 billion at June 30, 2024.

**Governmental Activities** increased the County’s net position by \$583.2 million, or 15% to \$4.6 billion.

**Total assets** increased \$686.9 million, or 13%, to \$5.9 billion. The significant changes in assets occurred in the following areas:

- *Cash and investments* increased by \$337.6 million. This increase was due to increase in unrestricted interest and investment and operating grants and contributions.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2024

- *Receivables and other receivables* increased \$60.4 million primarily due to \$12.1 million increase in interest receivable, \$64.0 million increase in net mortgage receivable, offset by \$17.3 million decrease in taxes receivable.
- *Lease receivable* increased \$2.7 million due to new lease agreements entered in the current year.
  
- *Due from other governmental agencies* increased \$60.7 million primarily due to increase in excess Educational Revenue Augmentation Fund (ERAF), Federal Financial Participation (FFP), and Vehicle License Fee (VLF) shortfall due to the County.
  
- *Subscription assets* increased \$3.8 million due to increase of subscription contracts in the current year.
  
- *Capital assets* increased by \$215.1 million. The significant changes occurred in the following areas:
  - \$260.1 million decrease in construction in progress resulted from current year addition of \$192.6 million offset by the completion of \$208.9 million for *County Office Building 3*, \$150.7 million for the *Health System Center Campus Upgrade*, \$52.0 million for *San Mateo County Navigation Center*, and \$31.5 million for *Old Maguire Renovations*.
  - \$451.2 million increase in structure and improvements from \$32.5 million for building acquisitions, \$31.5 million for *Old Maguire renovations*, \$4.8 million for *Parallel Trail Creation Highway 1 Project*, \$208.9 million for *County Office Building 3*, \$150.7 million for the *Health System Center Campus Upgrade*, \$52.0 million for *San Mateo County Navigation Center*, and offset by \$29.8 million depreciation expenses.
  - \$21.8 million increase in land from current year acquisitions including \$3.1 million for 3009-3017 Middlefield Road, \$0.7 million for 401 2<sup>nd</sup> Ave, \$5.5 million for 626-648 Walnut Street, and \$12.5 million for 1500-1510 Fashion Island.
  - \$1.9 million decrease in software from completion of modules for the *Assessor Property Assessment System (APAS)* totaling \$1.1 million, offset by \$3.1 million depreciation expense.
  - \$2.0 million increase in infrastructure from *Fair Oaks Sewer Rehabilitation Project*.
  - \$2.9 million net increase in equipment for *County Office Building 3*.

**Total liabilities** increased \$72.3 million, or 4% to \$1.9 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* increased \$107.7 million or 19% to \$660.7 million. This increase is due to changes in economic or demographic assumptions as part of the measurements, and changes in fair value of investments.
  
- *Net OPEB liability* increased by \$7.3 million. This increase is a reflection of progressive contributions as actuarially determined amount required to provide retiree health care benefits to the retired members and changes in assumptions used for actuarial analysis purposes.
  
- *Lease / Subscription liabilities* increased by \$5.7 million to \$64.8 million due to new agreements entered during the current year.
  
- *Long-term liabilities* decreased by \$41.4 million to \$608.2 million. The decrease was due to \$111.2 million decrease from normal debt payments made on lease revenue bonds and the refunding of the outstanding 2014 Refunding and Capital Project Series A Bonds, offset by the issuance of the 2024 Series A Lease Revenue Bonds (\$69.8 million including bond premiums).
  
- *Due to governmental agencies* decreased \$16.5 million to \$33.4 million. The decrease was due to decrease in intergovernmental transfers to the State in the current fiscal year.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2024

- *Unearned revenues* decreased by \$32.1 million to \$201.7 million. The decrease was due to grants that have been performed and earned in the current fiscal year.

**Business-type Activities** decreased the County's net position by \$6.3 million, or 4% to \$170.1 million.

Total assets increased \$12.0 million, or 3%, to \$468.0 million. The decrease was primarily caused by the following:

- The *Medical Center's total assets* decreased \$3.3 million. The change was primarily due to a small increase in amounts due from other government agencies offset by various small decreases in the balances for prepayments and inventory. Amounts due from other government agencies comprise a number of supplemental programs with activities that fluctuate from year to year.
- The Housing Authority's total assets increased \$5.7 million primarily due to increase in cash resulting from increased funding and the receipt of \$4.4 million in Housing Assistant Payment (HAP) funds for an anticipated Development Loan and offset by \$4.9 million decrease in MidPen housing bayshore garage note receivable.

Total liabilities increased \$15.4 million, or 4%, to \$385.0 million. The increase was primarily due to the following:

- The *Medical Center's total liabilities* increased \$12.5 million. The significant changes are discussed below:
  - Increase of \$23.2 million in net pension and OPEB liabilities.
  - Decrease of \$12.2 million in due to government agencies.
- *Housing Authority's total liabilities* increased \$0.1 million due to \$0.3 million increase in deferred revenue loan interest and offset by a \$0.2 million in deferred inflow related to leases.

The Medical Center's net position decreased \$18.9 million, or 30%, to \$44.8 million. See explanations on pages 12-13.

The Housing Authority's net position increased \$5.7 million, or 8%, to \$76.0 million. See explanations on page 13.

Airports net position increased \$8.4 million and Coyote Point Marina's net position decreased \$0.1 million.

The **County's total net position** increased by \$576.9 million, or 14%, to \$4.7 billion as of June 30, 2024. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

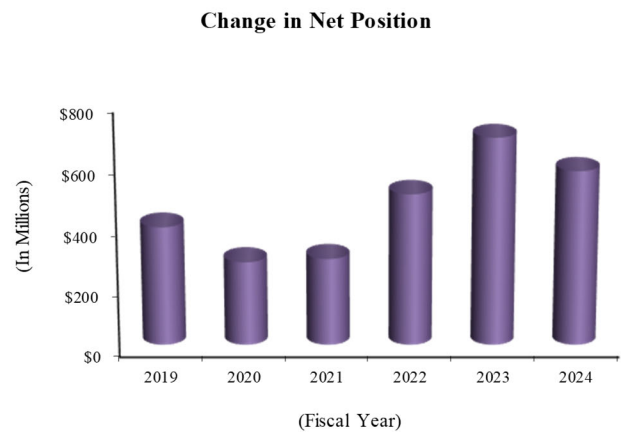
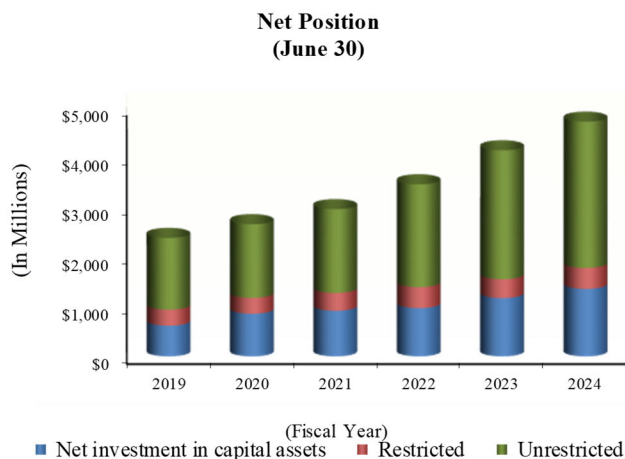
- 29%, or \$1,359.6 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These 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.
- 9%, or \$424.4 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.
- 62%, or \$2,946.9 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*.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2024

**Change in Net Position**  
**(In Thousands)**

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percentage
<b>Revenues:</b>								
Program revenues:								
Charges for services	\$ 266,866	\$ 260,816	\$ 528,771	\$ 496,854	\$ 795,637	\$ 757,670	\$ 37,967	5%
Operating grants and contributions	783,130	723,151	12,216	2,777	795,346	725,928	69,418	10%
Capital grants and contributions	-	100	8,836	5,725	8,836	5,825	3,011	52%
Total program revenues	1,049,996	984,067	549,823	505,356	1,599,819	1,489,423	110,396	7%
General revenues:								
Property taxes	937,531	932,073	-	-	937,531	932,073	5,458	1%
Other taxes	173,766	184,118	-	-	173,766	184,118	(10,352)	-6%
Unrestricted interest and investment earnings	180,430	69,362	2,731	1,322	183,161	70,684	112,477	159%
Miscellaneous	102,004	57,777	1,805	3,821	103,809	61,598	42,211	69%
Total general revenues	1,393,731	1,243,330	4,536	5,143	1,398,267	1,248,473	149,794	12%
Total revenues	2,443,727	2,227,397	554,359	510,499	2,998,086	2,737,896	260,190	10%
<b>Expenses:</b>								
Program expenses:								
General government	205,148	165,065	-	-	205,148	165,065	40,083	24%
Public protection	582,292	491,388	-	-	582,292	491,388	90,904	18%
Public ways and facilities	30,807	30,115	-	-	30,807	30,115	692	2%
Health and sanitation	512,022	448,120	-	-	512,022	448,120	63,902	14%
Public assistance	435,241	311,497	-	-	435,241	311,497	123,744	40%
Recreation	26,093	23,291	-	-	26,093	23,291	2,802	12%
Interest on long-term liabilities	23,052	24,246	-	-	23,052	24,246	(1,194)	-5%
San Mateo Medical Center	-	-	453,223	418,538	453,223	418,538	34,685	8%
Airports	-	-	5,554	5,108	5,554	5,108	446	9%
Coyote Point Marina	-	-	1,728	1,372	1,728	1,372	356	26%
Housing Authority	-	-	146,026	133,240	146,026	133,240	12,786	10%
Total expenses	1,814,655	1,493,722	606,531	558,258	2,421,186	2,051,980	369,206	18%
Excess (deficiency) before special item and transfers	629,072	733,675	(52,172)	(47,759)	576,900	685,916	(109,016)	-16%
Transfers	(45,861)	(41,844)	45,861	41,844	-	-	-	n/a
<b>Change in net position</b>	583,211	691,831	(6,311)	(5,915)	576,900	685,916	(109,016)	-16%
Net position - beginning	3,977,640	3,285,809	176,456	182,371	4,154,096	3,468,180	685,916	20%
Net position - ending	\$4,560,851	\$3,977,640	\$ 170,145	\$ 176,456	\$4,730,996	\$4,154,096	\$ 576,900	14%

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:



**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
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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 \$583.2 million to \$4.6 billion for the fiscal year ended June 30, 2024. This was predominantly from increases in operating grants and contributions and unrestricted interest and investment earnings.

**Analysis of Governmental Activities - Revenues**

**Program Revenues** accounted for 43% of the County's overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues increased \$65.9 million, or 7%, from the prior year. The significant changes included the following:

- *Operating grants and contributions* increased \$60.0 million, or 8%, to \$783.1 million. The increase was primarily due to \$8.3 million increase due to State Mental Health Services Act, \$28.3 million increase for State realignment revenues, and \$15.8 million for Measure K initiative.

**General Revenues** increased \$150.4 million, or 12%, from the prior year. General revenues accounted for 57% of the County's overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* increased \$5.5 million, or 1%, to \$937.5 million. The significant changes included the following:
  - \$21.4 million or 6% increase in secured and unsecured property taxes which is at par with the 7% countywide increase in the local combined roll.
  - \$10.0 million increase in Excess Tax Losses Reserves due to transfer of funds from Teeter Reserves to the County General Fund.
  - \$21 million increase in the ERAF property taxes due to assessed valuation growth offset by a \$6 million increase in ERAF funding to non-basic aid schools.
  - \$7.5 million or 11% increase in pass-through payments which is due to a 12% increase in Redevelopment Property Tax Trust Fund (RPTTF) revenues.
  - \$47.0 million decrease in VLF revenue is due to a Countywide VLF funding shortfall of \$44 million, of which the County's share is 59% or \$26 million.
  - \$5.7 million or 11% increase in pass-through payments which is due to a 12% increase in RPTTF revenues.
  - \$5.5 million or 32% decrease in supplemental taxes due to inflation and high interest rates which had a dampening effect on new construction and changes in ownership resulting to fewer supplemental assessments in FY 2023-24.
  - \$2.0 million decrease in late tax penalty payments due to large penalties collected in prior year for prior year unsecured tax, secured taxes, and taxes in default.
- *Other Tax Revenues* decreased \$10.4 million, or 6%, to \$173.7 million primarily due to decrease in sales and use taxes.
- *Unrestricted Interest and Investment Earnings* increased \$111.0 million, primarily due to market fluctuations and more robust earnings on investments in current year compared to prior year, thus increasing earnings on investments.
- *Miscellaneous Revenues* increased \$44.2 million, or 77%, to \$102.0 million due primarily to \$37.9 million increase in funding from Affordable Housing Fund 1 and \$28.9 million increase for Employee Down Payment Assistant Program.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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**Analysis of Governmental Activities – Expenses**

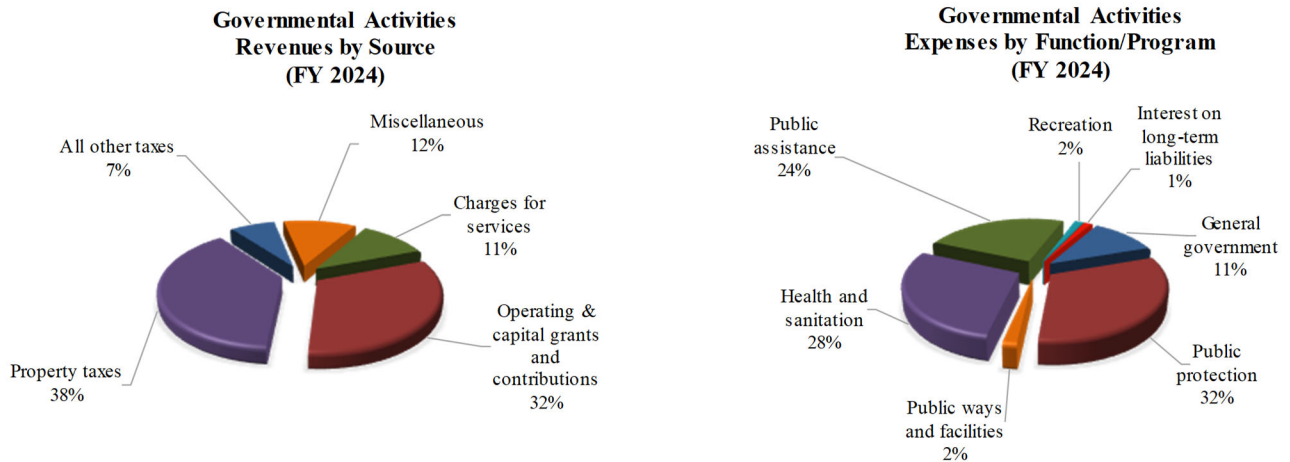
Expenses for *General government* increased by \$40.1 million, or 25%. This increase was mainly due to \$12.0 million increase in salaries and benefits, \$16.5 million increase in pension expense, and \$3.7 million increase for cybersecurity upgrades.

Expenses for *Public protection* increased by \$90.9 million, or 19%. The increase was primarily due to \$5.5 million increase in Board of State and Community Corrections Organized Retail Theft Grant, \$32.8 million increase in pension expense, and \$25.6 million increase in salaries and benefits.

Expenses for *Health and sanitation* increased by \$63.9 million, or 14%. The increase was primarily due to \$22.1 million increase for 1991 Health Realignment, \$10.8 million for Electronic Health Record Project, and \$19.3 million increase in pension expense.

Expenses for *Public assistance* increased by \$123.7 million, or 40%. The increase was primarily due to \$25.5 million increase for affordable housing expenses, \$32.0 million increase for contracted services and higher costs associated for service programs, \$15.6 million increase in pension expense, \$8.4 million increase in salaries and benefits, \$6.5 million increase in The Big Lift program, and \$6.1 million increase in housing assistance services.

For the fiscal year ended June 30, 2024, revenues and expenses for governmental activities are as follows:



**Transfers out** to business-type activities increased \$4.0 million, or 10% due to increase in general fund contribution to the medical center.

**Business-type Activities.** The net position for business-type activities decreased \$6.3 million to \$170.1 million. This is mainly from \$18.9 million decrease from the Medical Center, \$5.7 million increase from the Housing Authority, \$8.4 million increase from the Airports, and \$0.1 million decrease from Coyote Point.

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

**Medical Center.** The net position of Medical Center decreased \$18.9 million, or 30%, to \$44.8 million.

The Medical Center’s net operating loss increased \$11.8 million, or 19%, to \$74.6 million. The significant changes included the following:

- \$55.9 million increase in gross charges for services due primarily to increase in clinic patient volume as COVID protocols were implemented and non-emergency services resumed.

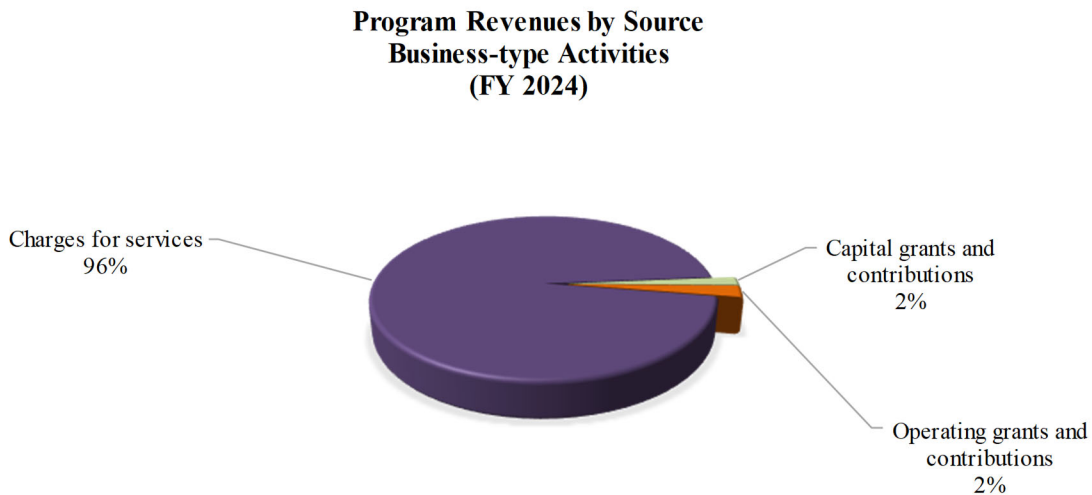


**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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- \$38.1 million increase in net patient service revenues due to the resumed non-emergency services.
- \$1.4 million increase in premium revenues due primarily to a return to payment levels similar to years prior to fiscal year 2021.
- The decrease of \$23.2 million in FY24 is due to adjustments to prior year accrued estimates resulting from recent payment information related to the Enhanced Payment Program (EPP).
- \$18.5 million increase in pension and OPEB expenses due to the results of an actuarial analysis performed under the provisions of GASB Statement Nos. 68 and 75.

**Housing Authority.** The net position of the Housing Authority increased \$5.7 million, or 8%, to \$76.0 million. The increase was primarily due to increase in revenues from Moving to Work and local funds.

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, 2024, the County’s governmental funds reported combined fund balances of \$3.0 billion at year-end, an increase of \$356.2 million, or 14%, compared to the prior fiscal fund balance. Approximately 82% of the combined amount, or \$2.4 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$535.0 million is nonspendable and restricted, including \$31.3 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$503.7 million restricted for specific purposes.

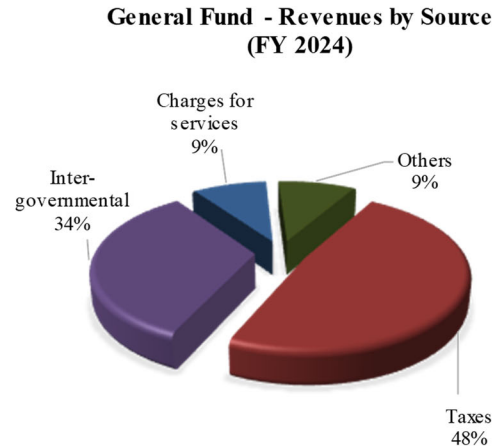
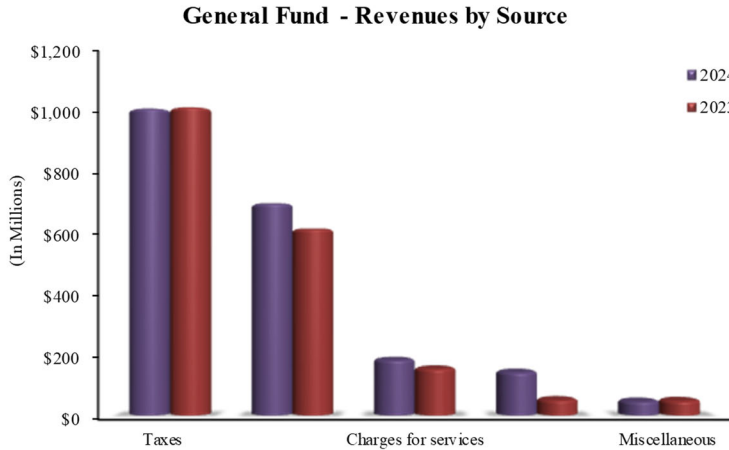
The *General Fund* is the primary operating fund of the County. At June 30, 2024, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$2.3 billion with total fund balance at \$2.5 billion. As a measure of liquidity, total unrestricted fund balance as well as total fund balance can be compared to total fund expenditures. Total unrestricted fund balance represents 139% of total fund expenditures, and total fund balance represents 155% of total fund expenditures. The overall fund balance in the General Fund has increased \$405.7 million during the current fiscal year.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2024

For the fiscal years ended June 30, 2024 and 2023, revenues for the General Fund are distributed as follows:

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

Revenues by Source	FY 2024		FY 2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 1,025,238	48%	\$ 1,029,391	54%	\$ (4,153)	0%
Licenses and permits	7,829	0%	8,166	0%	(337)	-4%
Intergovernmental	707,973	32%	623,311	33%	84,662	14%
Charges for services	187,379	9%	158,203	8%	29,176	18%
Fines, forfeitures, and penalties	4,497	0%	3,899	0%	598	15%
Rents and concessions	2,979	0%	2,620	0%	359	14%
Investment income	146,946	7%	53,726	3%	93,220	174%
Other	33,391	2%	36,524	2%	(3,133)	-9%
<b>Total</b>	<b>\$ 2,116,232</b>	<b>100%</b>	<b>\$ 1,915,840</b>	<b>100%</b>	<b>\$ 200,392</b>	<b>10%</b>



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

*Intergovernmental* revenue increased by \$84.7 million, or 14%. The increase was primarily due to \$64.5 million from State realignment and various other State revenues and \$8.3 million from State Mental Health Services Act.

*Charges for services* increased by \$29.2 million, or 18%. The increase was due to Medi-Cal caseloads collected during the FY 2023-24.

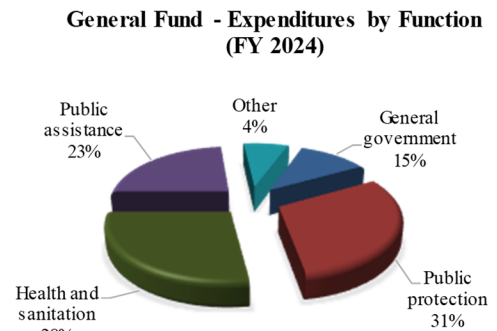
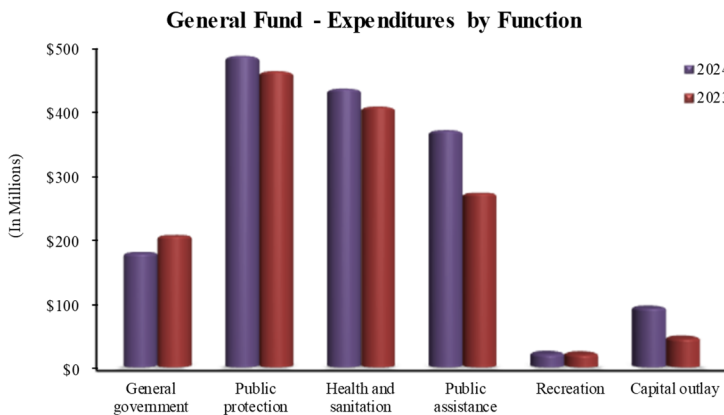
*Investment income* increased by \$93.2 million. See explanations on page 11.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2024

For the fiscal years ended June 30, 2024 and 2023, expenditures for the General Fund are distributed as follows:

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

Expenditures by Function	FY 2024		FY 2023		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 182,131	11%	\$ 209,576	15%	\$ (27,445)	-13%
Public protection	496,398	31%	471,961	33%	24,437	5%
Health and sanitation	444,547	27%	415,320	29%	29,227	7%
Public assistance	377,619	23%	277,614	19%	100,005	36%
Recreation	21,902	1%	21,194	1%	708	3%
Capital outlay	95,218	6%	46,761	3%	48,457	104%
<b>Total</b>	<b>\$ 1,617,815</b>	<b>100%</b>	<b>\$ 1,442,426</b>	<b>100%</b>	<b>\$ 175,389</b>	<b>12%</b>



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

Expenditures for *General Government* decreased by \$27.4 million, or 13%. See explanations on page 12.

Expenditures for *Public Protection* increased by \$24.4 million, or 5%. See explanations on page 12.

Expenditures for *Health and Sanitation* increased by \$29.2 million, or 7%. See explanations on page 12.

Expenditures for *Public Assistance* increased by \$100.0 million, or 36%. See explanations on page 12.

*Capital Outlay* increased by \$48.5 million, or 104%. The increase was primarily due to the acquisition of 1500-1510 Fashion Island.

**Joint Powers Financing Authority** is a major governmental fund. During FY 2023-24, JPFA’s fund balance decreased \$54.8 million to \$79.6 million. The decrease was primarily due to increase in capital project expenditures \$34.0 million increase from *San Mateo County Health Campus Upgrade* and \$22.0 million increase from *Cordilleras Mental Health Facility*.

**Nonmajor governmental funds** experienced a \$5.3 million increase in fund balance as a whole. The significant changes occurred in the following areas:

*Special Revenue Fund.* The overall fund balance for special revenue funds increased \$24.5 million to \$161.8 million. The significant change was mainly due to increase in intergovernmental revenue and investment income. See explanations on page 11.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
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For the Fiscal Year Ended June 30, 2024

*Capital Projects Fund.* The overall fund balance for capital project funds decreased \$27.4 million to \$173.6 million mainly due to transfer fund for the Electronic Health Records project in the prior year.

**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 decreased \$4.8 million, with decrease of \$13.1 million from major enterprise funds which included \$18.9 million decrease from Medical Center and \$5.8 million increase from Housing Authority. The remaining increase was 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 pages 12-13.

Airports Fund's net position increased \$8.4 million to \$43.8 million. The increase was due to the receipt of Federal Aviation Administration grants of \$8.6 million for the San Carlos Airport Runway Stabilization project.

Coyote Point Marina Fund's net position changed minimally when compared to last year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund's final budget for revenue exceeded the original budget by \$38.9 million, or 2%, for the fiscal year ended June 30, 2024. 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 2023-24, the General Fund budget realized a total of \$38.9 million unanticipated revenues primarily from the following:

- \$15.6 million from the California Board of State and Community Corrections (BSCC) for the Organized Retail Theft Grant Program.
- \$10.8 million from the California Department of Health Care Services Medi-Cal Admin advance for the acquisition of 1500 and 1510 Fashion Island Boulevard.
- \$4.9 million from trust fund revenue for Human Services Agency (HSA) cost share of the Wellness Center.
- \$1.9 million from Measure K funds: \$1.0 million for the Promise Scholars Program; \$0.4 million for the Forest Health and Fire Resiliency Program to support certain wildfire resiliency measures; \$0.4 million for the County Action Plan to support Women's Reproductive Freedom and Healthcare Privacy; and \$0.1 million for major repairs (roof, HVAC replacement, plumbing or electrical system repairs) to five homes of low-income homeowners in San Mateo County.
- \$1.6 million to consolidate Northern California High Intensity Drug Trafficking Area grant activity.
- \$0.9 million from City and County of San Francisco for Urban Area Security Initiative grant to provide resources for unique equipment, training, planning, and exercise needs of national high threat urban areas.
- \$0.8 million for the State Homeland Security Grant Program.
- \$0.8 million from Realignment Sales Tax due to increase in trauma and emergency room visits.
- \$1.6 million from other sources for various purpose.

Actual General Fund revenues were below budgeted by \$136.8 million, or 6%. Revenues from intergovernmental agencies were below anticipated projections by \$132.9 million, while other financing sources were \$29.0 million lower than budget. Actual tax revenues were higher than the total budgeted by \$32.8 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 \$7.7 million lower than expected,

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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primarily from \$81.4 million increase in use of money and property, \$9.6 million increase in charges for services, and \$88.6 million decrease in interfund revenues mainly from the elimination of interfund revenue between governmental funds.

Actual General Fund expenditures were below budgeted by \$1,648.9 million, or 48%. The unspent appropriations can be found in the following areas:

- \$367.3 million unspent appropriations in contingencies resulted from prudent long-term financial planning.
- \$630.1 million unspent appropriations in other financing uses due primarily to major capital funded by Non-Departmental Services and Measure K either not yet started or completed, including the North County Wellness Center, Hall of Justice Remodel, 455 County Center Remodel, and other projects.
- \$258.0 million unspent appropriations in services and supplies due primarily to delays in one-time and ongoing projects including County-wide Measure K Park funded parks maintenance and improvement projects at several County parks, as well as park wide fire fuel mitigation efforts and department specific information technology (IT) projects, such as the Property Tax replacement project.
- \$111.3 million unspent appropriations in salaries and benefits due primarily to unfilled positions throughout many departments.
- \$187.4 million unspent appropriations in other charges due primarily to Housing project contributions and carryforward Measure K appropriations for district discretionary initiatives.
- \$122.3 million unspent appropriations in capital assets due to County wide equipment purchases not yet made, delayed capital acquisitions.

The overall unspent appropriation discussed above was offset by unrealized *intrafund transfers* (reimbursements from General Fund departments) of \$27.5 million.

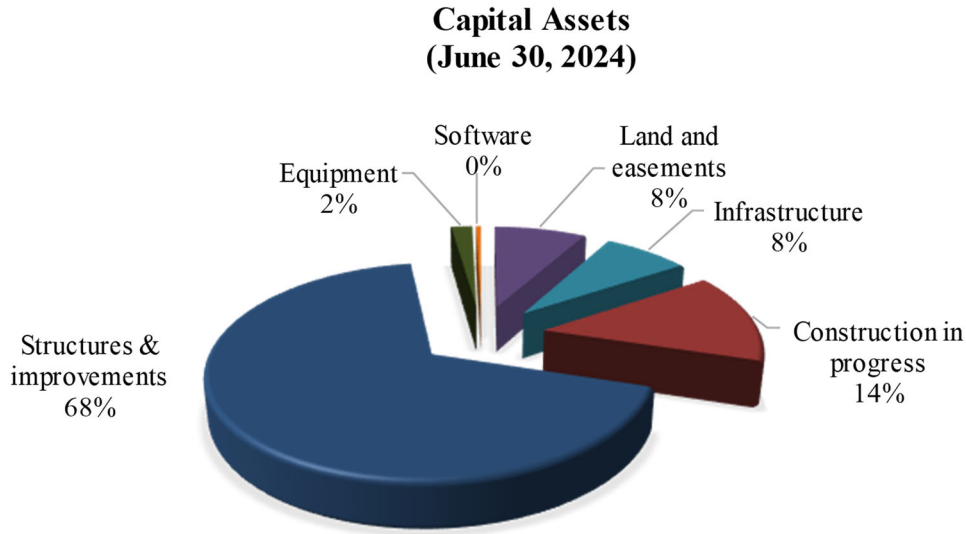
**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The County’s investment in capital assets increased \$226.9 million, or 13%, to \$1,929.3 million (net of accumulated depreciation). The investment includes land and easements, infrastructure, construction in progress, structures and improvements, equipment, and software. The County’s capital assets as of June 30, 2024 and 2023, are comprised of the following:

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percentage
Land and easements	\$ 141,024	\$ 119,221	\$ 14,989	\$ 14,989	\$ 156,013	\$ 134,210	\$ 21,803	16%
Infrastructure	146,320	144,370	-	-	146,320	144,370	1,950	1%
Construction in progress	257,997	518,786	13,838	12,469	271,835	531,255	(259,420)	-49%
Structures and improvements	1,255,294	804,072	55,859	47,383	1,311,153	851,455	459,698	54%
Equipment	23,790	20,921	12,207	10,777	35,997	31,698	4,299	14%
Software	4,853	6,768	3,081	2,589	7,934	9,357	(1,423)	-15%
Total	<u>\$ 1,829,278</u>	<u>\$ 1,614,138</u>	<u>\$ 99,974</u>	<u>\$ 88,207</u>	<u>\$ 1,929,252</u>	<u>\$ 1,702,345</u>	<u>\$ 226,907</u>	13%

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2024

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 64-67 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* (See Note 8 on page 64):
  - *San Mateo County Health Campus Upgrade.* The San Mateo Health System Campus Upgrade Project consists of the San Mateo Medical Center and Health Services departments. The project comprised of demolition, upgrades, and construction. This project will occur in phases with the final project completion estimated for second quarter of 2025. The estimated project cost is \$223 million. Partial completion of the new administration building and phase 1 were completed during FY 2023-24. The total cost incurred during FY 2023-24 is \$34.0 million.
  - *Cordilleras Mental Health Facility.* The Cordilleras Mental Health Facility will provide state-of-the-art care and rehabilitation for the County’s most vulnerable mentally ill residents in a serene natural setting. This project will occur in phases, with the project completion estimated for fiscal year 2024-2025. The estimated project cost is \$160 million. The total cost incurred during FY 2023-24 is \$23.4 million.

**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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**Lease / Subscription assets.** The County’s investment in lease/subscription assets increased \$2.7 million, or 3%, to \$92.1 million (net of accumulated amortization) due to new agreements entered offset by amortization in the current year. The County’s lease and subscription assets as of June 30, 2024 comprised of the following:

**Lease / Subscription Assets**  
**Net of Accumulated Amortization**  
(In Thousands)

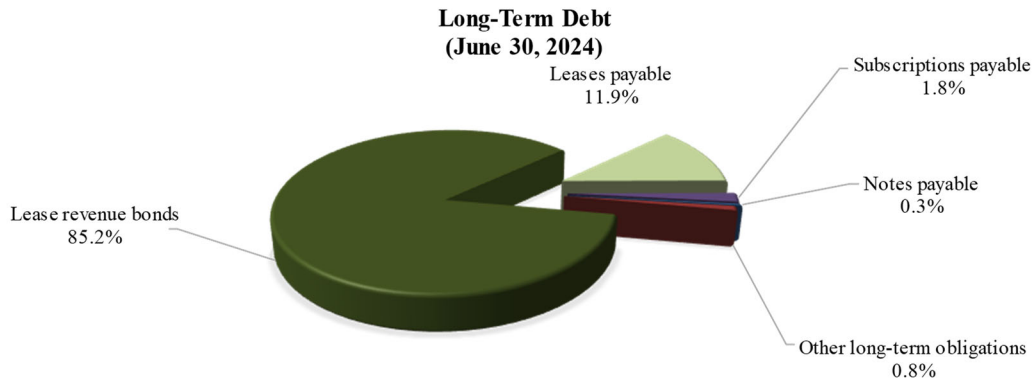
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percentage
Buildings	\$ 49,853	\$ 49,636	\$ 28,677	\$ 31,163	\$ 78,530	\$ 80,799	\$ (2,269)	-3%
Subscription	11,834	8,005	1,719	542	13,553	8,547	5,006	59%
Total	\$ 61,687	\$ 57,641	\$ 30,396	\$ 31,705	\$ 92,083	\$ 89,346	\$ 2,737	3%

**Long-Term Debt.** The County’s total debt decreased \$36.4 million, or 5%, to \$713.7 million as of June 30, 2024. The decrease was due from \$41.4 million (\$24.8 million for lease revenue bond payments, \$13.4 million premium converted to refunding gain, \$3.8 million amortization of premium, offset by \$0.6 million related to accreted interest) related to lease revenue bonds and refunding of the 2014 Bonds. As indicated in the table below, the County’s total debt is primarily comprised of \$608.2 million in lease revenue bonds, \$84.9 million in leases payable, \$12.7 million in subscriptions payable, \$1.9 million in notes payable, and \$6.0 million in other long-term obligations.

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2024	2023	2024	2023	2024	2023	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 608,226	\$ 649,638	\$ -	\$ -	\$ 608,226	\$ 649,638	\$ (41,412)	-6%
Leases payable	53,738	51,871	31,132	33,011	84,870	84,882	(12)	0%
Subscriptions payable	11,054	7,269	1,670	542	12,724	7,811	4,913	63%
Notes payable	-	-	1,897	1,980	1,897	1,980	(83)	-4%
Other long-term obligations	3,627	3,787	2,393	2,079	6,020	5,866	154	3%
Total	\$ 676,645	\$ 712,565	\$ 37,092	\$ 37,612	\$ 713,737	\$ 750,177	\$ (36,440)	-5%

The County’s debts as of June 30, 2024, are distributed as follows:



Additional information on the County’s long-term debt can be found in Note 9 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, 2024

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

- *Issuance of the 2024 Series A Refunding Lease Revenue Bonds.* In March 2024, the County issued 2024 Series A Lease Revenue Bonds (Refunding Bonds) (the “2024A Bonds”) for a total of \$61.3 million with an interest rate of 4% to 5% and a bond premium of \$8.5 million. Together with other available moneys, the proceeds of the 2024A Bonds totaling \$69.8 million were used to refund the outstanding 2014 Bonds and pay costs of issuance. On the refunding date of the 2014 Bonds, certain bonds are not callable until June 15, 2024. In June 2024, the County paid its scheduled outstanding principal amount of \$8.9 million plus interest to fully retire the 2014 Bonds.
- *Scheduled Retirement of Outstanding Debt.* Apart from the above refunding, the County retired a total of \$24.8 million in principal payment, \$3.8 million in bond premiums amortized, and \$0.7 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.

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 2023-24 was \$154.6 million. The amount applicable to the debt service limit was \$49.8 million, which was \$104.7 million, or 68%, less than authorized.

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

The following economic factors were considered in the preparation of the County's final budget for FY 2023-24.

- As of June 2024, the unemployment rate in San Mateo County was 3.5%, although the rate rose to a preliminary figure of 3.6% in October 2024.
- With the close of the FY 2023-24 assessment rolls, net secured property (real property) value was assessed at an increase of 6.6% from FY 2022-23.
- Commercial rents have slightly decreased. The average asking rent price for office space was at \$6.35 per square foot in the third quarter of 2024, a decrease of 0.1% over the third quarter of 2023.
- The County's taxable sales are projected to increase over FY 2024-25. For FY 2023-24, sales taxes were down by 5.1% as compared to FY 2022-23. The County projected no increase in sales tax, a 2.5% increase in Measure K Half Cent Sales Tax and a 4.2% decrease in Public Safety Sales Tax in FY 2023-24.

In September 2024, the County Board adopted the budget of \$5.3 billion for FY 2024-25.

**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, 2024**  
**(In Thousands)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2023)
<b>ASSETS</b>					
Cash and investments	\$ 3,229,622	\$ 43,654	\$ 3,273,276	\$ 14,318	\$ 738,401
Restricted cash and investments	41,383	2,130	43,513	-	300
Receivables (net)	314,985	29,534	344,519	143	88,254
Lease receivable	7,687	21,253	28,940	-	2,858
Due from other governmental agencies	406,527	198,589	605,116	1,020	185,457
Inventories	438	2,931	3,369	-	-
Prepays and other assets	23,096	12,431	35,527	-	12,895
Internal balances	1,900	(1,900)	-	-	-
Notes/Loans receivable	7,816	29,012	36,828	-	-
Net OPEB asset	-	-	-	161	-
Capital assets:					
Nondepreciable	499,820	28,827	528,647	-	15,668
Depreciable, net	1,329,458	71,147	1,400,605	-	43,696
Lease assets, net of accum amort	49,853	28,677	78,530	110	-
Subscription assets, net of accum amort	11,834	1,719	13,553	-	3,694
Total assets	<u>5,924,419</u>	<u>468,004</u>	<u>6,392,423</u>	<u>15,752</u>	<u>1,091,223</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized losses on refunding debts	9,393	-	9,393	-	-
Pension related	541,356	99,142	640,498	847	2,968
OPEB related	81,365	17,778	99,143	106	-
Total deferred outflows of resources	<u>632,114</u>	<u>116,920</u>	<u>749,034</u>	<u>953</u>	<u>2,968</u>
<b>LIABILITIES</b>					
Accounts payable	133,737	33,085	166,822	1,151	9,643
Payable from restricted cash and investments	-	284	284	-	-
Accrued interest payable	7,666	149	7,815	-	-
Accrued salaries and benefits	18,239	5,051	23,290	32	-
Accrued liabilities	618	403	1,021	-	287,000
Due to other governmental agencies	33,416	113,049	146,465	-	161,788
Unearned revenues	201,713	1,768	203,481	495	-
Deposits	13	1	14	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	660,715	162,504	823,219	1,303	2,982
Net OPEB liability - due beyond one year	62,682	14,453	77,135	-	-
Lease revenue bonds - due within one year	28,095	-	28,095	-	-
Lease revenue bonds - due beyond one year	580,131	-	580,131	-	-
Lease liabilities - due within one year	11,740	1,501	13,241	93	-
Lease liabilities - due beyond one year	41,998	29,631	71,629	32	-
Subscription liabilities - due within one year	5,217	732	5,949	-	1,217
Subscription liabilities - due beyond one year	5,837	938	6,775	-	2,143
Notes payable - due within one year	-	87	87	-	-
Notes payable - due beyond one year	-	1,810	1,810	-	-
Other long-term obligations - due within one year	163	-	163	-	-
Other long-term obligations - due beyond one year	3,464	2,393	5,857	-	-
Estimated claims - due within one year	27,800	-	27,800	-	-
Estimated claims - due beyond one year	35,647	-	35,647	-	-
Compensated absences - due within one year	49,677	13,863	63,540	84	-
Compensated absences - due beyond one year	30,817	3,280	34,097	107	-
Total liabilities	<u>1,939,385</u>	<u>384,982</u>	<u>2,324,367</u>	<u>3,297</u>	<u>464,773</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized gain on refunding debts	14,609	-	14,609	-	-
Pension related	420	78	498	1	5
OPEB related	40,610	8,973	49,583	159	-
Lease related	658	20,746	21,404	-	2,755
Total deferred inflows of resources	<u>56,297</u>	<u>29,797</u>	<u>86,094</u>	<u>160</u>	<u>2,760</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,263,970	95,670	1,359,640	-	59,364
Restricted for:					
Public assistance	219,257	1,846	221,103	-	-
Road and sanitation	155,048	-	155,048	-	-
Debt service	33,565	-	33,565	-	-
Other purposes	14,720	-	14,720	161	300
Unrestricted	2,874,291	72,629	2,946,920	13,087	566,994
Total net position	<u>\$ 4,560,851</u>	<u>\$ 170,145</u>	<u>\$ 4,730,996</u>	<u>\$ 13,248</u>	<u>\$ 626,658</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, 2024**  
**(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	\$ 205,148	\$ 52,056	\$ 46,776	\$ -
Public protection	582,292	67,368	192,933	-
Public ways and facilities	30,807	5,494	31,476	-
Health and sanitation	512,022	132,934	226,041	-
Public assistance	435,241	7,727	285,750	-
Recreation	26,093	1,287	154	-
Interest on long-term liabilities	23,052	-	-	-
Total governmental activities	1,814,655	266,866	783,130	-
Business-type activities:				
San Mateo Medical Center	453,223	375,067	2,951	8,836
Airports	5,554	4,031	9,265	-
Coyote Point Marina	1,728	1,507	-	-
Housing Authority	146,026	148,166	-	-
Total business-type activities	606,531	528,771	12,216	8,836
Total primary government	\$ 2,421,186	\$ 795,637	\$ 795,346	\$ 8,836
<b>Component units:</b>				
First 5 San Mateo County	\$ 6,112	\$ -	\$ 5,455	\$ -
Health Plan of San Mateo	\$ 1,160,290	\$ 1,276,459	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
Property transfer taxes				
Sales and use taxes				
Transient occupancy taxes				
Aircraft taxes				
Vehicle rental business license tax				
Unrestricted interest and investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

(Continued)

**COUNTY OF SAN MATEO**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**  
**(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, 2023)
\$ (106,316)	\$ -	\$ (106,316)		
(321,991)	-	(321,991)		
6,163	-	6,163		
(153,047)	-	(153,047)		
(141,764)	-	(141,764)		
(24,652)	-	(24,652)		
(23,052)	-	(23,052)		
<u>(764,659)</u>	<u>-</u>	<u>(764,659)</u>		
	(66,369)	(66,369)		
	7,742	7,742		
	(221)	(221)		
	2,140	2,140		
	<u>(56,708)</u>	<u>(56,708)</u>		
<u>(764,659)</u>	<u>(56,708)</u>	<u>(821,367)</u>		
			\$ (657)	
				\$ 116,169
937,531	-	937,531	-	-
5,696	-	5,696	-	-
147,136	-	147,136	-	-
6,149	-	6,149	-	-
1,829	-	1,829	-	-
12,956	-	12,956	-	-
180,430	2,731	183,161	795	31,643
102,004	1,805	103,809	45	3,344
(45,861)	45,861	-	-	-
<u>1,347,870</u>	<u>50,397</u>	<u>1,398,267</u>	<u>840</u>	<u>34,987</u>
583,211	(6,311)	576,900	183	151,156
<u>3,977,640</u>	<u>176,456</u>	<u>4,154,096</u>	<u>13,065</u>	<u>475,502</u>
<u>\$ 4,560,851</u>	<u>\$ 170,145</u>	<u>\$ 4,730,996</u>	<u>\$ 13,248</u>	<u>\$ 626,658</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  
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, 2024**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 2,696,635	\$ 89,769	\$ 367,149	\$ 3,153,553
Restricted cash and investments	-	2,539	38,844	41,383
Receivables (net):				
Accounts	3,509	-	1,851	5,360
Interest	53,002	581	3,796	57,379
Taxes	22,002	-	793	22,795
Mortgages	223,682	-	-	223,682
Other	3,876	-	-	3,876
Lease receivable	7,687	-	-	7,687
Due from other funds	1,587	-	4,288	5,875
Due from other governmental agencies	395,791	-	7,729	403,520
Loan receivable	7,816	-	-	7,816
Prepaid items	12,331	346	195	12,872
Inventories	21	-	304	325
Advances to other funds	7,323	-	-	7,323
Total assets	<u>\$ 3,435,262</u>	<u>\$ 93,235</u>	<u>\$ 424,949</u>	<u>\$ 3,953,446</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 81,285	\$ 13,638	\$ 37,572	\$ 132,495
Accrued salaries and benefits	17,841	-	338	18,179
Accrued liabilities	618	-	-	618
Due to other funds	3,075	-	2,367	5,442
Due to other governmental agencies	33,416	-	-	33,416
Unearned revenues	200,918	-	795	201,713
Deposits	-	-	13	13
Advances from other funds	-	-	5,835	5,835
Total liabilities	<u>337,153</u>	<u>13,638</u>	<u>46,920</u>	<u>397,711</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	581,368	-	3,629	584,997
Lease related	7,277	-	-	7,277
Total deferred inflows of resources	<u>588,645</u>	<u>-</u>	<u>3,629</u>	<u>592,274</u>
<b>FUND BALANCES</b>				
Nonspendable	30,412	346	499	31,257
Restricted	227,304	79,251	197,153	503,708
Assigned	16,201	-	176,748	192,949
Unassigned	2,235,547	-	-	2,235,547
Total fund balances	<u>2,509,464</u>	<u>79,597</u>	<u>374,400</u>	<u>2,963,461</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,435,262</u>	<u>\$ 93,235</u>	<u>\$ 424,949</u>	<u>\$ 3,953,446</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, 2024**  
**(In Thousands)**

**Fund balances - total governmental funds (page 24)** \$ 2,963,461

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.	630,399
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(56,094)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,820,762
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	49,853
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,834
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.	592,274
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.	33,678
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.	(7,663)
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	\$ (608,226)
Leases payable	(53,738)
Subscriptions payable	(11,054)
Other long-term obligations	(3,627)
Compensated absences	(80,281)
Net pension liability	(658,369)
Net OPEB liability	(62,358)
	(1,477,653)

**Net position of governmental activities (page 21)** **\$ 4,560,851**

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, 2024**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 1,025,238	\$ -	\$ 36,268	\$ 1,061,506
Licenses and permits	7,829	-	3,635	11,464
Intergovernmental	707,973	-	81,606	789,579
Charges for services	187,379	-	48,586	235,965
Fines, forfeitures and penalties	4,497	-	875	5,372
Rents and concessions	2,979	-	82	3,061
Investment income	146,946	5,940	21,366	174,252
Other revenues	33,391	571	2,778	36,740
Total revenues	<u>2,116,232</u>	<u>6,511</u>	<u>195,196</u>	<u>2,317,939</u>
<b>Expenditures:</b>				
Current:				
General government	182,131	175	1,107	183,413
Public protection	496,398	-	4,908	501,306
Public ways and facilities	-	-	27,460	27,460
Health and sanitation	444,547	-	29,616	474,163
Public assistance	377,619	-	34,484	412,103
Recreation	21,902	-	-	21,902
Capital outlay	95,218	55,988	122,188	273,394
Debt service:				
Principal	-	24,785	160	24,945
Interest	-	25,097	55	25,152
Bond issuance costs	-	352	-	352
Total expenditures	<u>1,617,815</u>	<u>106,397</u>	<u>219,978</u>	<u>1,944,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>498,417</u>	<u>(99,886)</u>	<u>(24,782)</u>	<u>373,749</u>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds	-	61,345	-	61,345
Bond premium	-	8,454	-	8,454
Payment to refunded bonds escrow agent	-	(68,829)	-	(68,829)
Leases	17,961	-	-	17,961
Subscriptions	11,120	-	-	11,120
Transfers in	29,794	44,131	108,268	182,193
Transfers out	(151,553)	-	(78,203)	(229,756)
Total other financing sources (uses)	<u>(92,678)</u>	<u>45,101</u>	<u>30,065</u>	<u>(17,512)</u>
<b>Net change in fund balances</b>	<u>405,739</u>	<u>(54,785)</u>	<u>5,283</u>	<u>356,237</u>
Fund balances - beginning	<u>2,103,725</u>	<u>134,382</u>	<u>369,117</u>	<u>2,607,224</u>
Fund balances - end	<u>\$ 2,509,464</u>	<u>\$ 79,597</u>	<u>\$ 374,400</u>	<u>\$ 2,963,461</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, 2024**  
**(In Thousands)**

**Net change in fund balances - total governmental funds (page 26)** \$ 356,237

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	\$ 255,681	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, and trade-ins	509	
Less current year amortization	(25,035)	
Less current year depreciation	<u>(40,409)</u>	190,746

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 149,186

OPEB contributions made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements 23,010

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. 117,086

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. (61,345)

Bond premiums are other financing sources in the governmental funds but deferred and amortized over the life of the bonds in the statement of net position. (8,454)

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	68,546	
Lease revenue bonds	24,785	
Leases and subscriptions	<u>23,455</u>	116,786

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 and refunding of bond premium	17,822	
Amortization and refunding of debt	(48)	
Addition of deferred gains on issuance of debt	(13,349)	
Change in accrued interest payable	(41)	
Addition to accretion of capital appreciation bonds	(241)	
Deduction to accretion of capital appreciation bonds	960	
Change in other long-term liabilities	160	
Change in compensated absences	<u>(3,361)</u>	1,902

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 (284,195)

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 (20,042)

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. 2,294

**Change in net position of governmental activities (page 23)** \$ 583,211

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, 2024**  
**(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	\$ 2,460	\$ 34,190	\$ 7,004	\$ 43,654	\$ 76,069
Restricted cash and investments	-	2,130	-	2,130	-
Receivables (net):					
Accounts	21,631	2	68	21,701	1,126
Grant	12	-	-	12	-
Interest	12	318	70	400	767
Other	7,421	-	-	7,421	-
Lease receivable	-	62	166	228	-
Due from other funds	52	-	21	73	148
Due from other governmental agencies	196,581	2,008	-	198,589	3,007
Inventories	2,931	-	-	2,931	113
Notes receivable	-	6	-	6	-
Prepays and other assets	3,618	4,620	71	8,309	10,224
Total current assets	<u>234,718</u>	<u>43,336</u>	<u>7,400</u>	<u>285,454</u>	<u>91,454</u>
Noncurrent assets:					
Notes receivable	-	28,886	-	28,886	-
Loan receivable	120	-	-	120	-
Deposits	4,122	-	-	4,122	-
Lease receivable	-	21,025	-	21,025	-
Capital assets:					
Nondepreciable	13,869	5,970	8,988	28,827	-
Depreciable, net	31,648	2,041	37,458	71,147	8,516
Lease assets, net of accum amort	28,677	-	-	28,677	-
Subscription assets, net of accum amort	1,719	-	-	1,719	-
Total noncurrent assets	<u>80,155</u>	<u>57,922</u>	<u>46,446</u>	<u>184,523</u>	<u>8,516</u>
Total assets	<u>314,873</u>	<u>101,258</u>	<u>53,846</u>	<u>469,977</u>	<u>99,970</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related items	98,176	-	966	99,142	1,312
OPEB-related items	17,197	337	244	17,778	403
Total deferred outflows of resources	<u>115,373</u>	<u>337</u>	<u>1,210</u>	<u>116,920</u>	<u>1,715</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	31,736	827	522	33,085	1,242
Payable from restricted cash and investments	-	284	-	284	-
Accrued interest payable	69	-	80	149	3
Accrued salaries and benefits	4,871	130	50	5,051	60
Accrued liabilities	-	403	-	403	-
Due to other funds	117	-	1	118	536
Due to other governmental agencies	112,962	87	-	113,049	-
Unearned revenues	1,392	344	32	1,768	-
Deposits	-	-	1	1	-
Notes payable - current	-	1	86	87	-
Compensated absences - current	13,291	441	131	13,863	111
Lease liabilities - current	1,501	-	-	1,501	-
Subscription liabilities - current	732	-	-	732	-
Estimated claims - current	-	-	-	-	27,800
Total current liabilities	<u>166,671</u>	<u>2,517</u>	<u>903</u>	<u>170,091</u>	<u>29,752</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	544
Net pension liability	160,940	-	1,564	162,504	2,346
Net OPEB liability	13,875	403	175	14,453	324
Notes payable - noncurrent	-	29	1,781	1,810	-
Compensated absences - noncurrent	2,918	230	132	3,280	102
Lease liabilities - noncurrent	29,631	-	-	29,631	-
Subscription liabilities - noncurrent	938	-	-	938	-
Estimated claims - noncurrent	-	-	-	-	35,647
Other long-term liabilities - noncurrent	890	1,503	-	2,393	-
Total noncurrent liabilities	<u>210,136</u>	<u>2,165</u>	<u>3,652</u>	<u>215,953</u>	<u>38,963</u>
Total liabilities	<u>376,807</u>	<u>4,682</u>	<u>4,555</u>	<u>386,044</u>	<u>68,715</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	77	-	1	78	1
OPEB related	8,561	294	118	8,973	202
Lease related	-	20,587	159	20,746	-
Total deferred inflows of resources	<u>8,638</u>	<u>20,881</u>	<u>278</u>	<u>29,797</u>	<u>203</u>
<b>NET POSITION</b>					
Net investment in capital assets	43,110	7,981	44,579	95,670	8,516
Restricted:					
Housing assistance programs	-	1,846	-	1,846	-
Unrestricted	1,691	66,205	5,644	73,540	24,251
Total net position	<u>\$ 44,801</u>	<u>\$ 76,032</u>	<u>\$ 50,223</u>	<u>171,056</u>	<u>\$ 32,767</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(911)	
Net position of business-type activities (page 21)				<u>\$ 170,145</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, 2024**  
**(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	\$ 624,416	\$ -	\$ 1,710	\$ 626,126	\$ 183,404
Less:					
Contractual allowances	(417,902)	-	-	(417,902)	-
Provision for doubtful accounts	(4,704)	-	-	(4,704)	-
Net charges for services	201,810	-	1,710	203,520	183,404
Other program revenues:					
Supplemental programs	125,869	-	-	125,869	-
Premium revenues	9,683	-	-	9,683	-
Sales tax realignment	19,748	-	-	19,748	-
Other operating revenues:					
Rent and concessions	1,633	3,701	3,828	9,162	-
Revenue from housing assistance payments	-	144,465	-	144,465	-
Revenue from foundations	4,735	-	-	4,735	-
Sales of drugs and medical supplies, fees, and others	11,589	-	-	11,589	-
Miscellaneous	-	1,489	316	1,805	2,070
Total operating revenues	<u>375,067</u>	<u>149,655</u>	<u>5,854</u>	<u>530,576</u>	<u>185,474</u>
<b>Operating expenses:</b>					
Salaries and benefits	180,572	6,933	2,110	189,615	2,570
Pension expense	52,709	-	588	53,297	726
OPEB expense	4,183	137	65	4,385	98
Pharmaceutical drugs	18,407	-	-	18,407	-
Supplies	17,639	-	-	17,639	-
Contract provider services	81,866	-	-	81,866	-
Other fees and purchased services	78,213	-	-	78,213	-
General and administrative	9,191	7,906	3,365	20,462	19,336
Benefits and claims	-	-	-	-	28,847
Insurance premiums	-	-	-	-	136,674
Depreciation	3,622	490	1,010	5,122	2,286
Amortization	3,271	412	-	3,683	-
Housing assistance payments	-	130,148	-	130,148	-
Total operating expenses	<u>449,673</u>	<u>146,026</u>	<u>7,138</u>	<u>602,837</u>	<u>190,537</u>
Operating income (loss)	<u>(74,606)</u>	<u>3,629</u>	<u>(1,284)</u>	<u>(72,261)</u>	<u>(5,063)</u>
<b>Nonoperating revenues (expenses):</b>					
State and federal grants	-	-	9,265	9,265	-
Medi-Cal rate differential	2,951	-	-	2,951	-
Loss from disposal of capital assets	(1,248)	-	-	(1,248)	-
Investment income	221	2,099	411	2,731	4,172
Interest expense	(875)	-	(88)	(963)	-
Total nonoperating revenues, net	<u>1,049</u>	<u>2,099</u>	<u>9,588</u>	<u>12,736</u>	<u>4,172</u>
Income (loss) before capital contributions and transfers	<u>(73,557)</u>	<u>5,728</u>	<u>8,304</u>	<u>(59,525)</u>	<u>(891)</u>
Capital contributions	8,836	-	-	8,836	-
Transfers in	63,622	-	-	63,622	1,787
Transfers out	(17,761)	-	-	(17,761)	(85)
<b>Change in net position</b>	<u>(18,860)</u>	<u>5,728</u>	<u>8,304</u>	<u>(4,828)</u>	<u>811</u>
Net position - beginning	<u>63,661</u>	<u>70,304</u>	<u>41,919</u>		<u>31,956</u>
Net position - end	<u>\$ 44,801</u>	<u>\$ 76,032</u>	<u>\$ 50,223</u>		<u>\$ 32,767</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,483)	
Change in net position of business-type activities (page 23)				<u>\$ (6,311)</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, 2024**  
**(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	\$ 362,247	\$ 149,074	\$ 5,678	\$ 516,999	\$ -
Cash receipts from interfund services provided	-	-	-	-	184,034
Cash paid to suppliers of goods and services	(200,509)	(6,023)	(3,054)	(209,586)	(154,994)
Cash paid to employees for services	(209,734)	(7,783)	(2,247)	(219,764)	(3,019)
Cash paid for housing assistance	-	(132,256)	-	(132,256)	-
Cash paid for judgments and claims	-	-	-	-	(25,633)
Net cash provided by (used in) operating activities	(47,996)	3,012	377	(44,607)	388
<b>Cash flows from noncapital financing activities</b>					
County subsidy transfers	63,622	-	-	63,622	-
Transfers received from other funds	-	-	-	-	1,787
Transfers paid to other funds	(17,761)	-	-	(17,761)	(85)
Loan repayment to other funds	(1,975)	-	-	(1,975)	-
Loan payments to other funds	-	-	-	-	(241)
Cash receipts related to Medi-Cal rate differential	2,951	-	-	2,951	-
State and federal grant receipts	-	-	9,265	9,265	-
Net cash provided by noncapital financing activities	46,837	-	9,265	56,102	1,461
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(7,653)	(183)	(10,279)	(18,115)	(2,175)
Capital contributions received	8,836	-	-	8,836	-
Principal paid on long-term debt	-	(1)	(82)	(83)	-
Interest paid on long-term debt	-	-	(92)	(92)	-
Cash paid on lease/subscription liability	(3,564)	(434)	-	(3,998)	-
Cash paid for interest on lease/subscription liability	-	(6)	-	(6)	-
Net cash used in capital and related financing activities	(2,381)	(624)	(10,453)	(13,458)	(2,175)
<b>Cash flows from investing activities</b>					
Principal received from loans and investments	1,001	4,945	-	5,946	-
Cash disbursed for loans	-	(46)	-	(46)	-
Interest received from loans and investments	-	71	-	71	-
Investment income received	221	1,614	430	2,265	4,012
Net cash provided by investing activities	1,222	6,584	430	8,236	4,012
Net increase (decrease) in cash and cash equivalents	(2,318)	8,972	(381)	6,273	3,686
Cash and cash equivalents, beginning	4,778	27,348	7,385	39,511	72,383
Cash and cash equivalents, end	\$ 2,460	\$ 36,320	\$ 7,004	\$ 45,784	\$ 76,069
<b>Financial statement presentation:</b>					
Cash and investments	\$ 2,460	\$ 34,190	\$ 7,004	\$ 43,654	\$ 76,069
Restricted cash and investments	-	2,130	-	2,130	-
Cash and cash equivalents, end	\$ 2,460	\$ 36,320	\$ 7,004	\$ 45,784	\$ 76,069

(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, 2024**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo 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>	\$ (74,606)	\$ 3,629	\$ (1,284)	\$ (72,261)	\$ (5,063)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	6,893	902	1,010	8,805	2,286
Decrease (increase) in:					
Accounts receivable	3,740	229	9	3,978	128
Lease receivable	-	302	(156)	146	-
Other receivable	(1,634)	-	-	(1,634)	-
Due from other funds	(16)	-	(21)	(37)	105
Due from other governmental agencies	(5,440)	(773)	-	(6,213)	(190)
Inventories	2,661	-	-	2,661	(21)
Other assets	2,532	(1,377)	(65)	1,090	(1,483)
Deferred outflows of resources	3,578	13	-	3,591	80
Increase (decrease) in:					
Accounts payable	2,146	509	376	3,031	556
Accrued salaries and benefits	1,155	(261)	10	904	5
Accrued liabilities	-	63	-	63	-
Due to other funds	-	-	(16)	(16)	481
Due to other governmental agencies	-	85	-	85	-
Unearned revenues	236	(78)	8	166	-
Refundable deposits	(12,238)	-	-	(12,238)	-
Net pension liability	21,831	-	339	22,170	255
Net OPEB liability	1,407	(9)	(47)	1,351	32
Compensated absences	255	(23)	94	326	15
Estimated claims	-	-	-	-	3,214
Deferred inflows of resources	(496)	(199)	120	(575)	(12)
Net cash provided by (used in) operating activities	<u>\$ (47,996)</u>	<u>\$ 3,012</u>	<u>\$ 377</u>	<u>\$ (44,607)</u>	<u>\$ 388</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, 2024**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>				
Cash and investments (in County investment pool)	\$ 22,489	\$ 4,315,264	\$ 215,972	\$ 376,064
Cash and investments (outside County investment pool)	162,940	-	-	-
Receivables (net):				
Due from broker for investments sold	49,663	-	-	-
Contributions	1,641	-	-	-
Accounts	-	-	-	560
Interest	12,941	45,267	2,393	3,714
Securities lending income	3	-	-	-
Taxes, net	-	-	-	192,825
Other	2,943	-	-	3,766
Due from other governmental agencies	-	11,814	-	34,188
Prepaid expense	325	-	-	-
Investments:				
Fixed income	1,498,942	-	-	-
Equity	2,743,033	-	-	-
Alternatives	780,416	-	-	-
Inflation hedge	1,044,637	-	-	-
Liquidity	247,762	-	-	-
Capital assets, net	4,155	-	-	-
Other assets	-	3	-	36,342
Total assets	<u>6,571,890</u>	<u>4,372,348</u>	<u>218,365</u>	<u>647,459</u>
<b>LIABILITIES</b>				
Accounts payable	2,297	4,571	107	11,318
Due to broker for investments purchased	75,644	-	-	-
Due to other governmental agencies	-	-	200,913	1,617
Securities lending collateral due to borrowers	4,401	-	-	-
Lease liabilities	1,965	-	-	-
Other liabilities	5,891	11,819	17	259,090
Total liabilities	<u>90,198</u>	<u>16,390</u>	<u>201,037</u>	<u>272,025</u>
<b>NET POSITION</b>				
Restricted for:				
Pension benefits	6,481,692	-	-	-
Investment pool participants	-	4,355,958	-	-
Individuals, organizations and other governments	-	-	17,328	375,434
Total net position	<u>\$ 6,481,692</u>	<u>\$ 4,355,958</u>	<u>\$ 17,328</u>	<u>\$ 375,434</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, 2024**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>				
Contributions:				
Employer contributions	\$ 175,572	\$ -	\$ -	\$ -
Employer supplementary contributions	10,000	-	-	-
Plan member contributions	82,331	-	-	-
Contributions to investment pool	-	5,888,011	-	170,201
Contributions held on bequests	-	-	-	38,224
Property taxes collected for other governments	-	-	4,816,845	1,291,128
Total contributions	<u>267,903</u>	<u>5,888,011</u>	<u>4,816,845</u>	<u>1,499,553</u>
Net investment income:				
Net appreciation in fair value of investments	449,369	86,030	-	-
Interest and investment income	155,438	365,692	9,865	22,349
Investment expense	(64,294)	-	-	-
Securities lending activities:				
Securities lending income	309	-	-	-
Securities lending expenses	(170)	-	-	-
Total net investment income	<u>540,652</u>	<u>451,722</u>	<u>9,865</u>	<u>22,349</u>
Total additions	<u>808,555</u>	<u>6,339,733</u>	<u>4,826,710</u>	<u>1,521,902</u>
<b>DEDUCTIONS</b>				
Benefits and refunds paid to plan members and beneficiaries:				
Service retirement benefits	281,572	-	-	-
Disability retirement benefits	34,309	-	-	-
Death and other benefits	1,349	-	-	-
Withdrawals of members' contributions	5,278	-	-	-
Beneficiary payments to individuals	-	-	-	40,076
Total benefits and refunds paid to plan members and beneficiaries	<u>322,508</u>	<u>-</u>	<u>-</u>	<u>40,076</u>
Distributions from investment pool	-	6,186,025	-	173,887
Property taxes distributed to other governments	-	-	4,870,920	1,238,461
Payments to other local governments	-	-	-	21,805
Administrative expenses	9,397	-	-	10,741
Interest expense	-	-	-	23,343
Total deductions	<u>331,905</u>	<u>6,186,025</u>	<u>4,870,920</u>	<u>1,508,313</u>
<b>Change in net position</b>	<b>476,650</b>	<b>153,708</b>	<b>(44,210)</b>	<b>13,589</b>
Net position - beginning	<u>6,005,042</u>	<u>4,202,250</u>	<u>61,538</u>	<u>361,845</u>
Net position - end	<u>\$ 6,481,692</u>	<u>\$ 4,355,958</u>	<u>\$ 17,328</u>	<u>\$ 375,434</u>

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



**Basic Financial Statements -**  
Notes to the Basic Financial Statements



**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**  
**(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 Executive, 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 County 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**  
**For the Fiscal Year Ended June 30, 2024**  
**(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, 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, 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

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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, which are not eliminated in the process of consolidation.

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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.

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- *Private Purpose Trust Funds* hold unapportioned taxes for other local governmental agencies including redevelopment agencies (RDA). These funds are held by the County as an agent for various local governments and individuals.
- *Custodial Funds* are used to report fiduciary activities that are not required to be reported in pension, investment, or private-purpose trust funds. 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; 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, including lease and subscription liabilities, compensated absences, and claims and judgments, postemployment benefits are recorded when payments are due. General capital asset acquisitions, including the right-to-use lease assets and subscription IT assets, are reported as expenditures in the governmental funds. Proceeds of general long-term debt and financing through leases are reported as other financing sources.

Fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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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, 2024, 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 by custodial 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 the Housing Authority consist of security deposits received from tenants at move-in and housing assistance payment (HAP) equity for special vouchers in accordance with 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 \$223.7 million, net of allowance of \$24.8 million, on the governmental funds balance sheet as of June 30, 2024.

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**5. Inventories and Prepaid Items**

Inventories are stated at cost (first-in, first-out basis) for governmental funds and 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 using the straight-line method over the lesser of their estimated useful lives 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 2022-23 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 assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until the outflow occurs. The County has deferred outflows of resources related to the unamortized losses on refunding of debts and related to pension 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.

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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 assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until the inflow occurs. The County has deferred inflows of resources related to the unamortized gain on refunding of debts. The gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

The County also has deferred inflows of resources related to unavailable revenues and leases reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pension and OPEB, and leases in its proprietary and government-wide statements. The governmental funds report unavailable revenues from property taxes, reimbursements 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 asset/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 13 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 County service. The liability of such time is reported as incurred in the government-wide and proprietary funds financial statements. The liability for those amounts is recorded in the governmental funds only if the liability has matured as a 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 funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County depletes restricted net position before unrestricted net position is applied.



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**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 amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The County Executive 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.

**13. Leases / Subscriptions**

The County is a lessee for noncancellable leases of equipment and buildings, and subscriptions of software. The County recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The lease/subscription assets are initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. The County measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term and is subsequently reduced by the principal portion of the lease/subscription payments made.

The County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements and governmental fund financial statements. At the commencement of the lease, the County measures the lease receivable at the present value of payments expected to be received during the lease term. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the life of the lease term.

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**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 increased by no more than 2% per year unless the property is sold or transferred. In November 2000, California voters approved Proposition 39 that sets the approval threshold at 55% for school facilities related bonds.

The County is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction. The State legislature determines the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. For fiscal year 2023-24, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$310.0 billion. This amount includes \$35.8 billion in redevelopment assessed value. 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 countywide 1% property taxes. 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 \$33.7 million at June 30, 2024.

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 a custodial fund. The balance in the TLRF was \$250.1 million at June 30, 2024.

Pursuant to Section 97.2 (D)(4)(i) of the California Revenue and Taxation Code (Code), in 1992 the County established 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 \$262.4 million from the excess ERAF for the fiscal year ended June 30, 2024.

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**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 leases 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*.

**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 April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* with requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. These requirements of GASB are effective for the County's fiscal year June 30, 2024, and there is no impact to the financial statements.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB

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Statement No. 100 is effective for the County's fiscal year June 30, 2024, and there is no impact to the financial statements.

The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements that are effective subsequent to June 30, 2024.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for the County's fiscal year June 30, 2025.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the County's fiscal year June 30, 2025.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for the County's fiscal year June 30, 2026.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. This Statement is effective for the County's fiscal year June 30, 2026.

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Equity/Net Position**

At June 30, 2024, the Tower Road Construction, and the Workers' Compensation Insurance internal service funds, reported net deficits of \$1.2 million and \$24.6 million, respectively.

*Tower Road Construction.* This fund has accumulated insufficient net position as a result of recording balances of pension and other postemployment benefits, and a loan that is being repaid over time. The County is actively taking steps to cure the financial imbalance in the near-term through reviewing service charge billing rates, identifying opportunities to increase efficiencies, such as realigning work assignments to increase reimbursable project workload for existing staff, and improving business process. The County is evaluating alternative business models to determine its impact on cost recovery, service rates, and the ability to repay the loan for long-term sustainability.

*Workers' Compensation Insurance.* This fund has accumulated insufficient net position to pay for workers' compensation claims on a pay as you go basis. The County has sufficient General Fund reserves 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.

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**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, 2024, the net asset value of involuntary participation in the investment pool was \$7.06 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.

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**Cash and cash equivalents:**

Cash on hand - County	\$ 2,515
Money market deposit accounts - JPFA	1,918
Cash and deposits - SamCERA	158,539
Deposits - County	13,872 <sup>1</sup>
Cash deposits - HPSM	336,994 <sup>2</sup>
Cash equivalents - HPSM	<u>215,981 <sup>2</sup></u>
Total cash	<u>729,819</u>

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

Primary government	\$ 3,316,789
Discretely presented component unit - First 5	14,318
Discretely presented component unit - HPSM	738,701 <sup>2</sup>
Pension trust fund	6,500,219
Investment trust fund	4,315,264
Private purpose trust funds	215,972
Custodial funds	<u>376,064</u>
Total cash and investments	<u>\$ 15,477,327</u>

**Investments:**

In Treasurer's pool	8,291,646
With fiscal agents of the County	1,443
With fiscal agents of the JPFA	59,965
In SamCERA's portfolio	6,319,191
In Library's portfolio	2,349
In HPSM's portfolio	<u>74,919 <sup>2</sup></u>
Total investments	14,749,513
Perspective difference	<u>(2,005) <sup>3</sup></u>
	<u>14,747,508</u>
Total cash and investments	<u>\$ 15,477,327</u>

<sup>1</sup> At year-end, the carrying amount of the County's cash deposits was \$13,872 and the bank balance was \$114,551. 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, 2023.

<sup>3</sup> Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2023 and June 30, 2024, which was \$110.8 and \$112.8 million, respectively.

**COUNTY OF SAN MATEO**  
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**Investments**

The table below summarizes total investments reported as of June 30, 2024:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
<b>Investments in Investment Pool</b>					
Negotiable certificates of deposit	4.76% - 6.03%	7/5/24 - 2/1/27	\$ 533,700	\$ 533,260	0.72
U.S. treasury notes	0.25% - 4.88%	7/31/24 - 4/30/29	1,976,075	1,873,875	2.12
U.S. treasury bills	0%	7/5/24 - 9/26/24	200,000	199,106	0.09
U.S. government agency securities	0% - 6.00%	7/3/24 - 6/27/29	3,086,433	3,038,083	1.76
U.S. instrumentalities <sup>2</sup>	0% - 5.50%	7/1/24 - 3/5/29	940,637	920,470	1.45
Corporate bonds	0.50% - 6.07%	7/8/24 - 3/14/29	1,093,942	1,065,294	2.32
Municipal bonds	0.67% - 3.05%	8/1/24 - 8/1/25	15,995	15,615	0.65
Money market funds	0%	**	68,536	68,536	*
CalTrust liquidity fund	5.00%	7/1/24	100,000	100,000	0.00
California Asset Management Program	5.00% - 5.81%	7/1/24 - 5/15/25	250,000	250,000	0.08
Commercial paper	0%	7/15/24 - 8/16/24	202,000	200,921	0.09
Asset backed securities	0.58% - 2.22%	8/15/25 - 11/15/26	26,908	26,486	2.25
<b>Total investments in investment pool</b>			<u>\$ 8,494,226</u>	<u>8,291,646</u>	1.64
<b>Investments outside of Investment Pool</b>					
<b>San Mateo County</b>					
Money market funds				8	*
First American Government Obligations Fund - D class				1,435	*
Subtotal				<u>1,443</u>	
<b>San Mateo Joint Powers Financing Authority</b>					
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	3.40
First American Government Obligations Fund - D class				59,027	*
Subtotal				<u>59,965</u>	
<b>San Mateo County Employees' Retirement Association</b>					
Commingled fixed income portfolio:					
Opportunistic Credit Funds <sup>3</sup>				681,799	5.56
Separate account fixed income portfolio: <sup>4</sup>					
Asset Back Securities				64,252	14.10
Commercial Mortgage Backed				38,859	22.50
Corporate Bonds				111,723	9.10
Government Agencies				6,485	9.20
Government Bonds				379,088	14.80
Government Mortgage Backed Securities				200,205	25.10
Government Commercial Mortgage Backed				6,734	22.80
Municipal/Provincial Bonds				3,522	13.10
Non-govt Backed Collateralized Mortgage Obligations				6,275	35.40
Subtotal				<u>817,143</u>	17.03

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	Fair Value	Weighted Average Maturity (Years)	
<b>Investments outside of Investment Pool (continued)</b>			
Northern Institutional Liquid Assets Portfolio Cash Collateral Fund	\$ 4,401	**	
Foreign Exchange Contracts	7,509	**	
Equity securities:			
Foreign stocks	441,468	**	
U.S. common & preferred stock	427,193	**	
Commingled funds:			
Domestic equity	932,835	**	
International equity	622,408	**	
Public real asset	214,243	**	
Domestic equity	237,594	**	
International equity	81,535	**	
Real estate	466,976	**	
Liquidity	240,253	**	
Alternatives:			
Absolute return	327,110	**	
Private equity	453,306	**	
Private real asset	363,418	**	
Subtotal	4,820,249		
Total SamCERA's investments	6,319,191		
<b>San Mateo County Library</b>			
Local Agency Investment Fund	2,349	0.59	1
<b>Health Plan of San Mateo</b> (as of December 31, 2023)			
Local Agency Investment Fund	74,919	0.59	1
<b>Total investments outside of investment pool</b>	6,457,867		
<b>Total investments</b>	\$ 14,749,513		

\* 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, 2024.

<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 fourteen opportunistic credit funds managed by Angelo Gordon (three funds), Beach Point, Brigade Capital Management, Blackrock (two funds), Comvest, Eaton Vance, One William Street, PIMCO (two funds) and White Oak (two funds).

<sup>4</sup> Category consists of four fixed income separate account managers: Fidelity Institutional Asset Management, National Investment Services of America (two funds), 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, 2024, the investment pool had a weighted average maturity of 1.64 years.

*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 S&P Global, or "P1" or better by Moody's Ratings, and corporate bonds to the rating of "A" or higher by both S&P Global and Moody's Ratings. No limits are placed on the U.S. government agency securities and U.S. Treasuries. The County's investment pool was unrated.



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<u>Investment as of June 30, 2024</u>	<u>S&amp;P Global Rating</u>	<u>% of Portfolio</u>
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	AA	0.32%
Negotiable Certificates of Deposit	AA-	0.95%
Negotiable Certificates of Deposit	A1+	0.54%
Negotiable Certificates of Deposit	A1	0.62%
Negotiable Certificates of Deposit	A+	2.53%
Negotiable Certificates of Deposit	A	1.47%
U.S. Government Securities		
U.S. Treasury Securities	AA+	25.00%
U.S. Instrumentalities	AAA	11.10%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	13.38%
Federal Home Loan Mortgage Corporation	AA+	9.64%
Federal Farm Credit Bank	AA+	8.18%
Federal National Mortgage Association	AA+	5.44%
Corporate Bonds		
Corporate Bonds	AAA	0.12%
Corporate Bonds	AA+	0.35%
Corporate Bonds	AA	1.19%
Corporate Bonds	AA-	0.55%
Corporate Bonds	A+	2.59%
Corporate Bonds	A	3.58%
Corporate Bonds	A-	3.43%
Corporate Bonds	BBB+	1.04%
Asset Backed Securities	AAA	0.32%
Municipal Bonds	AA+	0.13%
Municipal Bonds	AA	0.04%
Municipal Bonds	AA-	0.02%
Money Market Funds	AAA	0.83%
CalTrust Liquidity Fund	AAA	1.21%
California Asset Management Program	AAA	3.01%
Commercial Paper	A1+	0.97%
Commercial Paper	A1	1.45%
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 U.S. Bank by pledging identifiable U.S. Government securities at 110% or more.

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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, 2024, the investment pool has more than 5% of its total investments with the following issuer: 13.38% in Federal Home Loan Bank, 8.18% in Federal Farm Credit Bank, 9.64% in Federal Home Loan Mortgage Corporation, and 5.44% in Federal National Mortgage Association.

*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.

As of June 30, 2024, the State of California Pooled Money Investment Account (PMIA) balance was \$178.0 billion, of which 1.40% is in structured notes and medium-term asset backed securities, and 1.60% in short-term asset-backed commercial paper. The total amount invested by all public agencies in the State of California Local Agency Investment Fund (LAIF) was \$22.0 billion, while HPSM's investment in LAIF was \$74.9 million and San Mateo County Library's investment in LAIF was \$2.3 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 217 days as of June 30, 2024. The Local Investment Advisory Board, which consisted of five members designated by State statutes, has oversight responsibility for LAIF.

The County's investment pool 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 shares. CAMP had a weighted average maturity of 38 days at June 30, 2024.

The County's investment pool invests in the Investment Trust of California (CalTrust). CalTrust is a program established by public agencies in California for the purpose of pooling and investing local agency funds including operating reserves and bond proceeds. CalTrust invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et seq. and 53635, et seq. Investment guidelines adopted by the Board of Trustees that supervises and administers the investment program of CalTrust. The County reports its investments in CalTrust at the fair value amounts provided by CalTrust, which is the same as the value of the pool shares. CalTrust had a weighted average maturity of 60 days and a weighted average life of 120 days.

**COUNTY OF SAN MATEO**  
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**County Investment Pool Condensed Financial Information**

Below is the condensed statement of the investment pool as of June 30, 2024:

**Statement of Net Position**

<b>Assets:</b>	
Negotiable certificates of deposit	\$ 533,260
U.S. treasury notes	1,873,875
U.S. treasury bills	199,106
U.S. government agency securities	3,038,083
U.S. instrumentalities	920,470
Corporate bonds	1,065,294
Municipal bonds	15,615
Money market funds	68,536
CalTrust liquidity fund	100,000
California Asset Management Program	250,000
Commercial paper	200,921
Asset backed securities	26,486
Total investments	8,291,646
Other assets	57,084
Pool deposits	114,551
Total assets	8,463,281
<b>Liabilities:</b>	
Unfunded checks and warrants	100,679
Other liabilities	16,390
Total liabilities	117,069
<b>Net Position:</b>	
Equity of internal pool participants	3,990,254
Equity of external pool participants	4,355,958
Total net position	\$ 8,346,212

**Statement of Changes in Net Position**

Net position at July 1, 2023	\$ 7,722,489
Net change in investments by pool participants	623,723
Net position at June 30, 2024	\$ 8,346,212

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

Participant units outstanding (one dollar par value)	\$ 8,415,035
Undistributed and unrealized loss	(68,823)
Net position at June 30, 2024	\$ 8,346,212

Participant net position at fair value price per share (\$8,346,212 divided by 8,415,035 units)	\$ 0.9918
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**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, 2024, the JPFA's investment portfolio had a weighted average maturity of 0.6 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 S&P Global, or better; (b) repurchase agreements with any domestic bank the long-term debt of which is rated at least "A" or better by S&P Global and Moody's Ratings; (c) specific obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America, and (d) investment agreements. As of June 30, 2024, the JPFA's money market mutual fund was rated "AAAm" by S&P Global, "Aaa-mf" by Moody's Ratings, and "AAAmmf" by Fitch. The repurchase agreement with the Hong Kong and Shanghai Banking Corporation was rated "AA-" by S&P Global, "Aa3" by Moody's Ratings, and "AA-" by Fitch. The remaining investments were unrated.

*Concentration of Credit Risk.* The JPFA places no limit on the amount invested in any one issuer. At June 30, 2024, the JPFA has \$0.9 million, or 0.1%, of its total investments in repurchase agreements with the Hong Kong and Shanghai Banking Corporation.

**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 conducted every quarter to determine the fair value of the real estate assets. Private equity, private credit, and private real asset partnerships are reported based on the fair value provided by the General Partner on a quarterly basis. The General Partner considers the financial conditions and operating results of the portfolio companies, the nature of the investments, marketability, and other relevant factors. Hedge funds and public real assets pool are reported based on the fair value provided by a third party administrator.

*Investment Policy.* The investment policy of SamCERA is strategized to reduce risk through a prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The Board of Retirement periodically reviews the asset allocation in response to changing market conditions that may affect forward-looking expected returns of asset classes. Investments are reported at fair value, which represents 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.

*Foreign Currency Transactions.* Gains and losses resulting from foreign currency transactions during the year (including translation of international investments at fiscal year-end rates of exchanges) are recorded as 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 or losses, which are included in net investment income. Risks may arise from the possible inability of counterparties to meet the terms of their contracts as well as from movements in exchange and interest rates.

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*Securities Lending Activity.* Securities lending transactions are short-term collateralized loans of SamCERA securities for the purpose of generating additional investment income. For each securities 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 Transactions*, 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 (the obligation to return the cash collateral) is reported simultaneously. Non-cash collateral held that cannot be sold or pledged without a borrower default is not reported on the statement of fiduciary net position nor is there a corresponding liability reported on this statement.

*Custodial Credit Risk - Deposits.* SamCERA does not have a general policy on custodial credit risk for deposits. SamCERA maintains cash deposits to support its investment activities and operational needs. At June 30, 2024, \$99.5 million of cash was held in a pooled short-term investment fund with the Northern Trust Corporation and \$22.9 million in the County's investment pool. Cash held by investment managers at year end amounted to \$46.4 million, which is swept daily into a pooled short-term investment fund. The deposits are not exposed to custodial credit risk as they are eligible and covered by insurance in accordance with applicable law and Federal Deposit Insurance Corporation rules and regulations. However, \$0.5 million held with the Northern Trust Corporation is uninsured and uncollateralized. Thus, it is subject to custodial credit risk.

*Investment Risk.* SamCERA's investments are managed by independent investment management firms subject to the investment 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 investment guidelines stipulate the investment style, performance objective, performance benchmarks, and portfolio characteristics.

*Interest Rate Risk.* SamCERA has investments in twelve external investment pools and four fixed income portfolios containing debt securities. SamCERA 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	Separately Managed Accounts	Commingled Management
AAA	2.6%	3.2%
AA	1.0%	2.1%
A	5.5%	1.8%
BBB	9.3%	5.1%
B	0.2%	31.1%
Not rated	81.4%	56.7%
	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, 2024, SamCERA had no investments that were exposed to custodial credit risk.

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*Concentration of Credit Risk.* SamCERA's investment policy has no general policy on the concentration of credit risk. As of June 30, 2024, SamCERA does not have investments in a single issuer with five percent or more of SamCERA's fiduciary net position.

*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, 2024. Foreign investments held within commingled fund vehicles are excluded from the table below.

Foreign Currency	Common Stock	Preferred Stock	Partnerships	Foreign Currency	Variation Margin	Pending FX Transactions	Total
Australian Dollar	\$ 7,242	\$ -	\$ -	\$ 85	\$ -	\$ (9,157)	\$ (1,830)
Brazilian Real	5,469	-	-	-	-	-	5,469
Canadian Dollar	11,822	-	-	-	76	(5,025)	6,873
Swiss Franc	20,673	-	-	-	-	(32,670)	(11,997)
HK Offshore Chinese Yuan Renminbi	5,196	-	-	(1,454)	-	-	3,742
Chinese Yuan Renminbi	-	-	-	1,461	-	-	1,461
Danish Krone	2,227	-	-	-	-	-	2,227
Euro	118,955	2,603	10,883	-	-	(88,179)	44,262
British Pound Sterling	101,962	-	-	201	-	(25,727)	76,436
Hong Kong Dollar	20,585	-	-	14	-	-	20,599
Indian Rupee	6,856	-	-	-	-	-	6,856
Japanese Yen	97,779	-	-	206	-	(140,541)	(42,556)
South Korea Won	-	-	-	-	-	-	-
Mexican Peso	2,239	-	-	-	-	-	2,239
Swedish Krona	23,100	-	-	-	-	(15,006)	8,094
Singapore Dollar	12,795	-	-	-	-	-	12,795
New Taiwan Dollar	1,965	-	-	-	-	-	\$ 1,965
Total	<u>\$ 438,865</u>	<u>\$ 2,603</u>	<u>\$ 10,883</u>	<u>\$ 513</u>	<u>\$ 76</u>	<u>\$ (316,305)</u>	<u>\$ 136,635</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, 2024, derivatives held an aggregate notional amount of \$203.8 million and a fair value of \$7.4 million are reported in the statement of fiduciary net position as part of the cash management overlay and inflation hedge. Changes in fair value during FY 2024 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 value 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, 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.

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Further disclosure on the derivative positions held at fiscal year-end are contained in the table below.

<u>Investment Derivatives as of June 30, 2024</u>	<u>Notional Value</u>	<u>(Level 1)</u>	<u>Fair Value (Level 2)</u>	<u>Total</u>	<u>Net Change in Fair Value</u>
Interest rate contract - short	\$ (27,088)	\$ -	\$ 116	\$ 116	\$ (250)
Interest rate contract - long	202,689	-	(188)	(188)	(274)
Foreign exchange contracts - long	8,168	-	7,509	7,509	7,508
Equity contracts - long	20,023	(45)	-	(45)	(708)
Total	<u>\$ 203,792</u>	<u>\$ (45)</u>	<u>\$ 7,437</u>	<u>\$ 7,392</u>	<u>\$ 6,276</u>

*Interest Rate Risk - Derivatives.* SamCERA’s investments in interest rate derivatives are highly sensitive to changes in interest rates. The investment maturities for \$20.5 million of the investments in derivatives is less than 3 months, \$182.5 million is 3 to 6 months, and \$0.8 million is 6 to 12 months.

*Foreign Currency Risk - Derivatives.* Foreign currency contracts are subject to foreign currency risk as the value of deposits or investments denominated in foreign currency may be adversely affected by changes in foreign exchange rates. Foreign currency contracts include forward contracts and spot contracts. Currency forward contracts are derivatives and generally serve to hedge or offset the impact of foreign currency exchange rate fluctuations. Spot contracts are agreements to buy or sell a certain amount of foreign currency at the current market rate for settlement in two business days. Spot contracts are generally used when SamCERA is required to make or receive payments in a foreign currency. SamCERA does not have a formal policy on foreign currency risk.

*Custodial Credit Risk - Derivatives.* As of June 30, 2024, 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.* 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. 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. For the fiscal year ended June 30, 2024, SamCERA’s securities lending agent lent its securities to borrowers under the securities lending agreement. SamCERA received cash and obligations issued or guaranteed by the United States (U.S.) government, or its agencies or instrumentalities. Borrowers were required to deliver collateral for each loan equal to (1) loaned securities denominated in U.S. dollars or sovereign debt issued by foreign governments, with a margin of at least 102% of the fair value of the loaned securities; and (2) loaned securities not denominated in U.S. dollars, or whose primary trading market was not located in the U.S. with a margin of at least 105% of the fair value of the loaned securities. As of June 30, 2024, the fair value of securities on loan reported and the total collateral held amounted to \$8.2 million and \$8.5 million (with \$4.4 million in cash collateral and \$4.1 million in non-cash collateral), respectively.

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

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*Securities Lending Collateral Interest Rate Risk.* The Fund's average effective duration is restricted to 60 days or less. As of June 30, 2024, the Fund had an interest sensitivity of 17 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.



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The County's cash equivalents and investments by fair value level as of June 30, 2024, include the following:

<b>Investments</b>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Negotiable certificates of deposit	\$ 533,260	\$ -	\$ 533,260
U.S. treasury notes	1,873,875	-	1,873,875
U.S. treasury bills	199,106	-	199,106
U.S. government agency securities	3,044,568	-	3,044,568
U.S. instrumentalities	920,470	-	920,470
Corporate bonds	1,320,773	-	1,320,773
Government bonds	454,901	-	454,901
Municipal bonds	19,137	-	19,137
Money market funds	68,544	68,544	-
Commercial paper	200,921	-	200,921
Repurchase agreements	938	-	938
Asset backed securities	111,422	-	111,422
Foreign exchange contracts	7,509	-	7,509
Mutual funds	60,462	-	60,462
Collateral from securities lending	4,401	4,401	-
Collateral mortgage obligations	6,275	-	6,275
Commercial mortgage-backed	38,859	-	38,859
Government commercial mortgage-backed	6,734	-	6,734
Government mortgage-backed securities	200,205	-	200,205
Equity securities:			
Foreign stocks	441,468	441,468	-
U.S. common & preferred stock	427,193	427,193	-
Commingled funds:			
Domestic bond	61,558	-	61,558
Domestic equity	932,835	-	932,835
International equity	622,408	-	622,408
Public real asset	214,243	-	214,243
Total investments subject to fair value hierarchy	11,772,065	\$ 941,606	\$ 10,830,459
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	77,268		
CalTrust Liquidity Fund	100,000		
California Asset Management Program	250,000		
	427,268		
Investments measured at the net asset value (NAV)			
Domestic bond funds	620,241		
Domestic equity funds	237,594		
International equity funds	81,535		
Real estate funds	466,976		
Absolute return	327,110		
Private equity funds	453,306		
Private real asset funds	363,418		
Total investments measured at NAV	2,550,180		
Total investments	\$ 14,749,513		

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<u>Investments measured at NAV</u>	<u>6/30/2024</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Domestic bond funds <sup>(1)</sup>	\$ 620,241	\$ 115,867	Not eligible	Not applicable
Domestic equity funds <sup>(1)</sup>	237,594	-	Monthly	10 days
International equity funds <sup>(1)</sup>	81,535	-	Monthly	10 days
Real estate funds <sup>(2)</sup>	466,976	56,049	Quarterly, not eligible	45 days, not applicable
Absolute return <sup>(3)</sup>	327,110	-	Monthly	30 days
Private equity funds <sup>(4)</sup>	453,306	327,448	Not eligible	Not applicable
Private real asset funds <sup>(4)</sup>	363,418	116,029	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 2,550,180</u>	<u>\$ 615,393</u>		

<sup>(1)</sup> *Bond and Equity Funds.* This type includes fourteen opportunistic credit funds, one domestic equity fund, and one international equity fund that is considered 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 seven 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 multi-family, 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, and one is subject to an initial three-year lock-up with quarterly liquidity thereafter while the other six are ineligible for redemption.

<sup>(3)</sup> *Absolute Return.* This strategy consists of three multi-strategy hedge funds/absolute return funds. One fund delivers efficient exposure to a well-diversified portfolio of hedge fund strategies. The second fund is an alternative risk premia strategy based on supply and demand constraints, behavioral biases and asymmetric risk. The last fund is a multi-factor strategy that aims to exploit behavioral inefficiencies within and across global markets and is designed to be diversifying, dynamic, and defensive.

<sup>(4)</sup> *Private Equity and Real Asset Funds.* This type includes forty-six private equity funds, investing primarily in buyout funds, venture capital, and debt/special situations. This type also includes eighteen Private Real Asset funds, investing in infrastructure, mining finance, solar, energy, and farmland. The fair values of these funds have been determined using net asset values one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments when the funds are liquidated, which on average can occur over the span of 5 to 10 years.

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**NOTE 5 – RECEIVABLES**

As of June 30, 2024, 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 \$306.1 million, of which about \$251.5 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	\$ 11,786	\$ -	\$ 2,213	\$ 1,126	\$ 15,125
Interest	53,820	581	3,796	767	58,964
Taxes	38,414	-	1,386	-	39,800
Mortgages	248,515	-	-	-	248,515
Other	3,876	-	-	-	3,876
Gross receivables	356,411	581	7,395	1,893	366,280
Less: allowances for uncollectibles	(50,340)	-	(955)	-	(51,295)
Total receivables, net	<u>\$ 306,071</u>	<u>\$ 581</u>	<u>\$ 6,440</u>	<u>\$ 1,893</u>	<u>\$ 314,985</u>

<b>Business-type Activities</b>	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 114,057	\$ 2	\$ 108	\$ 114,167
Grant	12	-	-	12
Interest	12	318	70	400
Other	7,421	-	-	7,421
Gross receivables	121,502	320	178	122,000
Less: allowances for uncollectibles	(92,426)	-	(40)	(92,466)
Total receivables, net	<u>\$ 29,076</u>	<u>\$ 320</u>	<u>\$ 138</u>	<u>\$ 29,534</u>

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

As of June 30, 2024, the Housing Authority has a total notes receivable of \$28.9 million of which is not expected to be collected within the next twelve months.

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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 revenues in connection with resources that have been received, but not yet earned. As of June 30, 2024, the various components of unavailable revenue and unearned revenues reported were as follows:

<u>Governmental Activities</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Property taxes	\$ 368	\$ 21,034	\$ 21,402
Intergovernmental revenues	94,041	174,776	268,817
Mortgage and related interest	246,595	-	246,595
Excess ERAF	130,081	-	130,081
VLF Shortfall	109,294	-	109,294
SB 90 mandated costs	948	-	948
Others	41	5,108	5,149
	<u>581,368</u>	<u>200,918</u>	<u>782,286</u>
Other Governmental Funds			
Property taxes	13	759	772
Intergovernmental revenues	2,216	36	2,252
Excess ERAF	900	-	900
Capital Projects Funds			
Intergovernmental revenues	500		500
	<u>3,629</u>	<u>795</u>	<u>4,424</u>
<b>Total Governmental Activities</b>	<u>\$ 584,997</u>	<u>\$ 201,713</u>	<u>\$ 786,710</u>
 <u>Business-type Activities</u>			
San Mateo Medical Center		\$ 1,392	\$ 1,392
Housing Authority		344	344
Other Enterprise Funds		32	32
<b>Total Business-type Activities</b>		<u>\$ 1,768</u>	<u>\$ 1,768</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 “advances to” and “advances from” balances are for long-term.

***Due to/from other funds***

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

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The table below summarizes the County’s interfund receivables and payables as of June 30, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,001
	Medical Center	117
	Other Enterprise Funds	1
	Internal Service Funds	468
		<u>1,587</u>
Other Governmental Funds	General Fund	2,922
	Other Governmental Funds	1,366
		<u>4,288</u>
Medical Center	General Fund	52
Other Enterprise Funds	General Fund	21
Internal Service Funds	General Fund	80
	Internal Service Funds	68
		<u>148</u>
	Total	<u><u>\$ 6,096</u></u>

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

Advances from the General Fund are comprised of the following as of June 30, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,835
	Medical Center	944
	Internal Service Funds	544
	Total	<u><u>\$ 7,323</u></u>

- 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 \$0.1 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. In May 2023, \$0.4 million was advanced to the Burlingame Hills Sewer Maintenance District (District) to pay a portion of the cost for rehabilitation project. District will repay the amount no later than 15 years with interest rate of 1.372%.
- \$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.
- \$0.5 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 \$0.9 million payment against advances.

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**NOTE 7 – INTERFUND TRANSFERS**

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

**(a) Between Governmental and Business-type Activities:**

Transfer From	Transfer To	Amount	Purpose
General Fund	Medical Center	\$ 63,622	Provide subsidy to support indigent healthcare as budgeted.
Medical Center	Other Governmental Funds	17,761	Transfer funds to cover debt service payments.
	Total	<u>\$ 81,383</u>	

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 47,600	Provide funds to finance County capital projects.
	Other Governmental Funds	34,680	Transfer funds to cover debt service payments.
	Other Governmental Funds	3,702	Contribute funds to support in-home supportive services.
	Other Governmental Funds	162	Transfer funds for stormwater program.
	Subtotal	<u>86,144</u>	
General Fund	Internal Service Funds	1,787	Provide subsidy to cover shortfall.
Other Governmental Funds	General Fund	157	Transfer funds to cover overhead surcharges.
	General Fund	933	Contribute funds to support Commute Alternatives Program costs.
	General Fund	13,527	Transfer funds to support San Mateo County Fire program.
	General Fund	84	Transfer equipment to general fund.
	General Fund	9	Transfer funds to repay loan payment
	General Fund	15,024	Provide funds to finance County capital projects.
	Subtotal	<u>29,734</u>	
Other Governmental Funds	Other Governmental Funds	3,200	Transfer funds to finance capital improvements.
	Other Governmental Funds	1,138	Transfer funds to cover debt service payments.
	Subtotal	<u>4,338</u>	
Other Governmental Funds	JPFA	44,131	Transfer funds to cover debt service payments.
Internal Service Funds	General Fund	11	Provide funds to support Sheriff's driver's training program.
	General Fund	49	Transfer funds to repay loan payment
	Subtotal	<u>60</u>	
Internal Service Funds	Other Governmental Funds	25	Transfer funds to finance capital projects.
	Total	<u>\$ 166,219</u>	

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

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**NOTE 8 – CAPITAL ASSETS / LEASES / SUBSCRIPTIONS**

Capital asset activities for the fiscal year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2024
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 119,221	\$ 21,803	\$ -	\$ -	\$ 141,024
Infrastructure - maintained road subsystem	100,778	21	-	-	100,799
Construction in progress	518,786	192,551	-	(453,340)	257,997
Total capital assets, not being depreciated	<u>738,785</u>	<u>214,375</u>	<u>-</u>	<u>(453,340)</u>	<u>499,820</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	78,592	-	-	3,755	82,347
Structures and improvements	1,127,904	32,487	-	448,485	1,608,876
Equipment	124,132	10,924	(7,229)	(24)	127,803
Software	31,381	70	-	1,100	32,551
Total capital assets, being depreciated	<u>1,362,009</u>	<u>43,481</u>	<u>(7,229)</u>	<u>453,316</u>	<u>1,851,577</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(35,000)	(1,826)	-	-	(36,826)
Structures and improvements	(323,832)	(29,750)	-	-	(353,582)
Equipment	(103,211)	(8,034)	7,208	24	(104,013)
Software	(24,613)	(3,085)	-	-	(27,698)
Total accumulated depreciation	<u>(486,656)</u>	<u>(42,695)</u>	<u>7,208</u>	<u>24</u>	<u>(522,119)</u>
Total capital assets, being depreciated, net	<u>875,353</u>	<u>786</u>	<u>(21)</u>	<u>453,340</u>	<u>1,329,458</u>
<i>Lease assets, being amortized:</i>					
Buildings	75,019	17,961	(11,485)	-	81,495
Less accumulated amortization	(25,383)	(17,744)	11,485	-	(31,642)
Total lease assets, being amortized, net	<u>49,636</u>	<u>217</u>	<u>-</u>	<u>-</u>	<u>49,853</u>
<i>Subscription assets, being amortized:</i>					
Subscription	13,675	11,120	(2,170)	-	22,625
Less accumulated amortization	(5,670)	(7,291)	2,170	-	(10,791)
Total subscription assets, being amortized, net	<u>8,005</u>	<u>3,829</u>	<u>-</u>	<u>-</u>	<u>11,834</u>
Total capital assets, being depreciated and amortized, net	<u>932,994</u>	<u>4,832</u>	<u>(21)</u>	<u>453,340</u>	<u>1,391,145</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 1,671,779</u></u>	<u><u>\$ 219,207</u></u>	<u><u>\$ (21)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,890,965</u></u>

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	Balance July 1, 2023	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2024
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,989	\$ -	\$ -	\$ -	\$ 14,989
Construction in progress	12,469	7,691	(925)	(5,397)	13,838
Total capital assets, not being depreciated	<u>27,458</u>	<u>7,691</u>	<u>(925)</u>	<u>(5,397)</u>	<u>28,827</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	97,582	10,340	-	260	108,182
Equipment	28,202	119	(2,420)	3,794	29,695
Software	20,273	-	-	1,367	21,640
Total capital assets, being depreciated	<u>146,057</u>	<u>10,459</u>	<u>(2,420)</u>	<u>5,421</u>	<u>159,517</u>
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(50,199)	(2,124)	-	-	(52,323)
Equipment	(17,425)	(2,123)	2,084	(24)	(17,488)
Software	(17,684)	(875)	-	-	(18,559)
Total accumulated depreciation	<u>(85,308)</u>	<u>(5,122)</u>	<u>2,084</u>	<u>(24)</u>	<u>(88,370)</u>
Total capital assets, being depreciated, net	<u>60,749</u>	<u>5,337</u>	<u>(336)</u>	<u>5,397</u>	<u>71,147</u>
<i>Lease assets, being amortized:</i>					
Buildings	36,135	-	-	-	36,135
Equipment	37	-	-	-	37
Less accumulated amortization	(5,009)	(2,486)	-	-	(7,495)
Total lease assets, being amortized, net	<u>31,163</u>	<u>(2,486)</u>	<u>-</u>	<u>-</u>	<u>28,677</u>
<i>Subscription assets, being amortized:</i>					
Subscription	860	2,374	-	-	3,234
Less accumulated amortization	(318)	(1,197)	-	-	(1,515)
Total subscription assets, being amortized, net	<u>542</u>	<u>1,177</u>	<u>-</u>	<u>-</u>	<u>1,719</u>
Total capital assets, being depreciated and amortized, net	<u>92,454</u>	<u>4,028</u>	<u>(336)</u>	<u>5,397</u>	<u>101,543</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 119,912</u>	<u>\$ 11,719</u>	<u>\$ (1,261)</u>	<u>\$ -</u>	<u>\$ 130,370</u>



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**Depreciation**

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

<u><b>Governmental Activities</b></u>	
General government	\$ 15,135
Public protection	13,551
Public ways and facilities	1,532
Health and sanitation	6,620
Public assistance	1,351
Recreation	2,220
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets.	<u>2,286</u>
Total depreciation - governmental activities	<u><u>\$ 42,695</u></u>
<u><b>Business-type Activities</b></u>	
Medical Center	\$ 3,622
Housing Authority	490
Airports	696
Coyote Point Marina	<u>314</u>
Total depreciation - business-type activities	<u><u>\$ 5,122</u></u>

**Amortization**

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

<u><b>Governmental Activities</b></u>	
General government	\$ 4,398
Public protection	2,802
Health and sanitation	8,155
Public assistance	9,678
Recreation	<u>2</u>
Total amortization - governmental activities	<u><u>\$ 25,035</u></u>
<u><b>Business-type Activities</b></u>	
Medical Center	\$ 3,271
Housing Authority	<u>412</u>
Total amortization - business-type activities	<u><u>\$ 3,683</u></u>

**Capital Project Commitments**

The County had two major capital projects underway in FY 2023-24 as follows:

*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 86,550 square feet non-OSHPD

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administration building to support hospital functions. Consistent with the County Municipal Green Building Policy, upgrades and construction will be designed to operate at zero net energy (ZNE) and to achieve Leadership in Energy and Environmental Design (LEED) certification. ZNE buildings are designed on a source energy basis, the actual annual consumed energy will be less than or equal to the onsite renewable generated energy. This project will occur in phases, with the final project completion estimated for second quarter of 2025. The estimated project cost is \$223 million. The total cost incurred during FY 2023-24 is \$34.0 million.

*Cordilleras Mental Health Facility*

The Cordilleras Mental Health Facility will include 121-bed psychiatric facility serving mentally ill residents. The facility is currently under construction and 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 fiscal year 2024-2025. The estimated project cost is \$160 million. The total cost incurred during FY 2023-24 is \$23.4 million.

**Health Plan of San Mateo**

Capital asset activities of the Health Plan of San Mateo for the fiscal year ended June 30, 2024, are as follows:

	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023
<b>Health Plan of San Mateo</b>				
<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	23,239	-	-	23,239
Furniture and equipment	14,362	-	(115)	14,247
Total capital assets, being depreciated	69,411	-	(115)	69,296
<i>Less accumulated depreciation</i>	(24,101)	(1,614)	115	(25,600)
Total capital assets, being depreciated, net	45,310	(1,614)	-	43,696
<i>Subscription assets, being amortized:</i>				
Subscription	-	7,714	-	7,714
Less accumulated amortization	-	(4,020)	-	(4,020)
Total subscription assets, being amortized, net	-	3,694	-	3,694
Total capital assets, being depreciated and amortized, net	45,310	2,080	-	47,390
<b>Health Plan of San Mateo capital assets, net</b>	<b>\$ 60,978</b>	<b>\$ 2,080</b>	<b>\$ -</b>	<b>\$ 63,058</b>

**First 5 San Mateo County**

Capital asset activities of the First 5 San Mateo County for the fiscal year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
<b>First 5 San Mateo County</b>				
<i>Lease assets, being amortized:</i>				
Buildings	\$ -	\$ 369	\$ -	\$ 369
Less accumulated amortization	-	(259)	-	(259)
<b>Total lease assets, being amortized, net</b>	<b>\$ -</b>	<b>\$ 110</b>	<b>\$ -</b>	<b>\$ 110</b>

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**NOTE 9 – LONG-TERM LIABILITIES**

The County's long-term liabilities as of June 30, 2024, 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, 2024</u>
<b>Governmental Activities</b>					
<b>Lease Revenue Bonds:</b>					
<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	9/1/24 - 9/1/26	5.95% - 6%	\$188 - \$196	\$ 2,085	\$ 576
Accreted interest on capital appreciation bonds				8,941	2,836
1993 Issue - Satellite Clinic				<u>11,026</u>	<u>3,412</u>
<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	7/15/24 - 7/15/36	3% - 5%	\$4,450 - \$7,620	107,600	78,180
<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	7/15/24 - 7/15/38	5%	\$3,5450 - \$6,890	64,560	58,780
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
2018 Issue				<u>217,640</u>	<u>211,860</u>
<b><u>2019 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/24 - 7/15/26	5%	\$7,310 - \$8,290	45,170	23,260
<b><u>2021A Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) finance the reconstruction and equipping of the Cordilleras Mental Health Center, (ii) pay capitalized interest through June 15, 2024, and (iii) pay costs of issuance.					
Serial Bonds	6/15/27 - 6/15/41	3% - 5%	\$750 - \$5,405	\$ 58,295	\$ 58,295
Term Bonds	6/15/42 - 6/15/46	3%	\$5,620 - \$6,325	29,845	29,845
Term Bonds	6/15/47 - 6/15/55	2.50%	\$6,515 - \$7,940	64,865	64,865
				<u>153,005</u>	<u>153,005</u>
<b><u>2023A Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2013 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/24 - 7/15/32	5%	\$105 - \$9,650	26,345	26,345
<b><u>2024A Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2014 Bonds, (ii) pay costs of issuance.					
Serial Bonds	6/15/25 - 6/15/33	5%	\$4,190 - \$7,645	53,440	53,440
Serial Bonds	6/15/34 - 6/15/37	4%	\$490 - \$3,395	7,905	7,905
				<u>61,345</u>	<u>61,345</u>
<b>Total governmental activities</b>				<u>\$ 622,131</u>	<u>\$ 557,407</u>

(Continued)

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Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2024
<b>Business-type Activities</b>					
<b>Notes Payable:</b>					
<b>Coyote Point Marina</b>					
Department of Boating and Waterways	8/1/24 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 241
Dock 29 loan	8/1/24 - 8/1/45	4.5%	\$39 - \$114	1,919	1,626
<b>Housing Authority</b>					
California Housing Finance Agency	5/20/57	0.00%	-	49	30
<b>Total business-type activities</b>				<u>\$ 4,282</u>	<u>\$ 1,897</u>

The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2024.

	Balance July 1, 2023	Additions/ Accretions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Lease revenue bonds	\$ 585,896	\$ 61,345	\$ (92,670)	\$ 554,571	\$ 23,601
Accreted interest on capital appreciation bonds	3,555	241	(960)	2,836	1,009
Add: unamortized premium	60,187	8,454	(17,822)	50,819	3,485
Lease revenue bonds, net	<u>649,638</u>	<u>70,040</u>	<u>(111,452)</u>	<u>608,226</u>	<u>28,095</u>
Leases payable	51,871	17,987	(16,120)	53,738	11,740
Subscriptions payable	7,269	11,120	(7,335)	11,054	5,217
Other long-term obligations	3,787	-	(160)	3,627	163
Estimated claims	60,233	28,847	(25,633)	63,447	27,800
Compensated absences	77,118	50,823	(47,447)	80,494	49,677
<b>Total Governmental Activities</b>	<u>\$ 849,916</u>	<u>\$ 178,817</u>	<u>\$ (208,147)</u>	<u>\$ 820,586</u>	<u>\$ 122,692</u>
<b>Business-type Activities:</b>					
<b>San Mateo Medical Center</b>					
Leases payable	\$ 32,577	\$ -	\$ (1,445)	\$ 31,132	\$ 1,501
Subscriptions payable	542	2,374	(1,246)	1,670	732
Compensated absences	15,954	12,800	(12,545)	16,209	13,291
Other long-term obligations	890	-	-	890	-
	<u>49,963</u>	<u>15,174</u>	<u>(15,236)</u>	<u>49,901</u>	<u>15,524</u>
<b>Housing Authority</b>					
Notes payable	31	-	(1)	30	1
Compensated absences	694	523	(546)	671	441
Leases payable	434	-	(434)	-	-
Other long-term obligations	1,189	383	(69)	1,503	-
	<u>2,348</u>	<u>906</u>	<u>(1,050)</u>	<u>2,204</u>	<u>442</u>
<b>Other Enterprise Funds</b>					
Notes payable	1,949	-	(82)	1,867	86
Compensated absences	169	217	(123)	263	131
	<u>2,118</u>	<u>217</u>	<u>(205)</u>	<u>2,130</u>	<u>217</u>
<b>Total Business-type Activities</b>	<u>\$ 54,429</u>	<u>\$ 16,297</u>	<u>\$ (16,491)</u>	<u>\$ 54,235</u>	<u>\$ 16,183</u>

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	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<b>Component Units:</b>					
<b>Health Plan of San Mateo</b>					
Subscriptions payable	\$ -	\$ 5,628	\$ (2,268)	\$ 3,360	\$ 1,217
<b>First 5 San Mateo County</b>					
Leases payable	\$ -	\$ 215	\$ (90)	\$ 125	\$ 93

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 installment payments payable by the County, pursuant to individual installment 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 installment payments until the County has constructive use or occupancy of the property being financed. Once construction is completed, the installment agreements act like direct financing with installment payments equal to debt service payments. Total debt service requirements remaining on the lease revenue bonds is \$857.5 million payable through June 15, 2055. For the current year, debt service expenditures for principal and interest totaled \$24.8 million and \$23.3 million, respectively.
- *Notes payable* under business-type activities are funded separately by respective enterprise funds.
- *Other long-term obligations* are financed by the General Fund, including the Los Trancos County Water District, and the State Water Resources Control Board, and enterprise funds (Medical Center and Housing Authority).
- *Estimated claims* are liquidated by charges for services collected through individual internal service funds and reserves of the Housing Authority.
- *Compensated absences* are financed by governmental funds (General Fund and individual special revenue funds) and enterprise funds (Medical Center, Housing Authority, Airports, Coyote Point Marina, Fleet, and Tower Road Construction) that are responsible for the charges.
- *Net pension liability* is liquidated primarily from the General Fund, with the remaining amounts from enterprise funds (Medical Center, Housing Authority, Airports, and Coyote Point Marina), and internal service funds that are responsible for the charges.
- *Leases/subscriptions payable* are recorded based on lease agreements as the County is a lessee for the acquisition and use of buildings and equipment, and subscription. The building leases are utilizing an interest rate of 2.5%, subscription contracts are utilizing an interest rate of 3.66%. Total lease payments expected to be paid for governmental and enterprise funds is \$110.7 million payable through July 2044, and \$0.1 million payable through October 2025 for First 5. For the current year, lease principal and interest payments for governmental and enterprise funds totaled \$25.4 million and \$3.5 million, respectively, and \$90 thousand and \$4 thousand, respectively for First 5.

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Annual debt service requirements for the governmental activities as of June 30, 2024, are summarized as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Lease Revenue Bonds</u>		
		Interest	
	<u>Principal</u>	<u>Accretion</u>	<u>Interest</u>
2025	\$ 23,601	\$ 1,009	\$ 23,107
2026	24,217	1,063	21,911
2027	23,959	1,118	20,724
2028	26,740	-	19,468
2029	22,145	-	18,256
2030-2034	110,354	-	74,504
2035-2039	80,165	-	52,607
2040-2044	67,930	-	38,091
2045-2049	82,615	-	23,379
2050-2054	84,905	-	7,856
2055	7,940	-	199
Total requirements	554,571	3,190	300,102
Less: unaccreted interest	-	(354)	-
Total	<u>\$ 554,571</u>	<u>\$ 2,836</u>	<u>\$ 300,102</u>

Lease revenue bonds are secured by revenues from the installment 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 2016 Refunding Lease Revenue Bonds and 2021A 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 lease and subscription payments for the governmental activities, business-type activities, and component units as of June 30, 2024, are summarized as follows:

<u>Governmental Activities</u>			<u>Business-type Activities</u>		
Fiscal Year			Fiscal Year		
Ending June 30,	Principal	Interest	Ending June 30,	Principal	Interest
2025	\$ 16,957	\$ 1,511	2025	\$ 2,233	\$ 806
2026	13,947	1,076	2026	1,906	749
2027	8,936	758	2027	1,346	704
2028	7,165	544	2028	970	668
2029	6,212	364	2029	1,189	641
2030-2034	11,523	330	2030-2034	6,734	2,735
Total	<u>\$ 64,740</u>	<u>\$ 4,583</u>	2035-2039	9,235	1,743
			2040-2044	9,189	447
			Total	<u>\$ 32,802</u>	<u>\$ 8,493</u>

**Component Units**

<u>First 5 San Mateo County</u>			<u>Health Plan of San Mateo</u>		
Fiscal Year			Year Ending		
Ending June 30,	Principal	Interest	December 30,	Principal	Interest
2024	\$ 93	\$ 2	2024	\$ 1,217	\$ 95
2025	32	-	2025	1,058	59
Total	<u>\$ 125</u>	<u>\$ 2</u>	2026	523	27
			2027	562	10
			Total	<u>\$ 3,360</u>	<u>\$ 191</u>

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Annual debt service requirements for the business-type activities notes payable as of June 30, 2024, are summarized as follows:

<b>Coyote Point Marina</b>			<b>Housing Authority</b>	
Fiscal Year Ending	Principal	Interest	Fiscal Year	Principal
June 30,			Ending June 30,	
2025	\$ 86	\$ 88	2025	\$ 1
2026	90	83	2026	-
2027	94	79	2027	-
2028	98	75	2028	-
2029	102	71	2029	-
2030-2034	318	294	2030-2034	-
2035-2039	380	215	2035-2039	-
2040-2044	476	119	2040-2044	-
2045-2046	223	16	2045-2049	-
Total requirements *	<u>\$ 1,867</u>	<u>\$ 1,040</u>	2050-2054	-
			2055-2057	29
			Total	<u>\$ 30</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 Boating and Waterways reimburses the County for the amount expended on the Dock 29 project. As of June 30, 2024, the total principal due to the State is \$1,626.

**Refunding of 2024 Series A Lease Revenue Bonds**

In March 2024, the JPFA issued 2024 Series A Lease Revenue Bonds (Refunding Bonds) (the “2024A Bonds”) for a total of \$61.3 million with an interest rate of 4% to 5% and a bond premium of \$8.5 million. Together with other available moneys, the proceeds of the 2024A Bonds totaling \$69.8 million were used to refund the outstanding 2014 Bonds and pay costs of issuance. On the refunding date of the 2014 Bonds, certain bonds are not callable until June 2024. Thus, the proceeds were deposited into an escrow account to redeem the 2014 Bonds on June 15, 2024. In June 2024, the JPFA paid its scheduled outstanding principal amount of \$8.9 million plus interest to fully retire the 2014 Bonds.

The JPFA in effect realized an economic gain of \$7.8 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 \$8.8 million over the next 13 years. While the refunding resulted in an economic gain, the refunding also resulted in a \$13.3 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 statement of net position and the accounting gain will be amortized over the remaining life of the new debt.

**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 \$154.6 million for the fiscal year ended June 30, 2024.

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**NOTE 10 – 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, 2024, restricted net position for governmental activities was \$420.4 million as reported on the government-wide statement of net position, and approximately \$98.3 million of which was restricted by enabling legislation. Restricted net position for the Housing Authority (business-type activities) of \$1.8 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 11 – 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 fiscal environment. County reserves are generally restricted for one-time purposes or as part of multi-year financial plan to balance the budget. The revised policy establishes minimum requirements for General Fund departmental reserves, General Fund non-departmental reserves, service department reserves and Non-General Fund department reserves, including guidelines for the use of these funds. On January 31, 2011, the Board authorized the use of 50% of future excess ERAF proceeds for ongoing purposes. The current ERAF reserves and 50% of future proceeds can only be used for one-time purposes as described in the County Reserves Policy.



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	General Fund	Joint Powers Financing Authority	Other Governmental Funds
<b>Nonspendable:</b>			
Inventories	\$ 21	\$ -	\$ 304
Prepaid items	12,331	346	195
Long-term interfund advances	7,323	-	-
Long-term receivables	10,737	-	-
Total nonspendable	<u>30,412</u>	<u>346</u>	<u>499</u>
<b>Restricted:</b>			
American rescue plan act funds	304	-	-
Behavioral health services	323	-	-
Recall election	170	-	-
Health realignment	7,699	-	-
Calworks	178	-	-
Social services realignment	141,366	-	-
Medi-Cal	16,578	-	-
Health services programs	9,032	-	-
California assistance program for immigrants	25,791	-	-
Wraparound program	10,924	-	-
Homeless emergency aid program	172	-	-
Homeless housing assistance program	8,778	-	-
Other social services programs	5,989	-	-
Debt service	-	79,251	39,060
Road improvement	-	-	45,637
Fire services	-	-	1,439
Sewer maintenance	-	-	30,931
Lighting maintenance	-	-	26,840
Highway and transportation improvement	-	-	22,463
Waste management	-	-	3,890
Emergency care	-	-	2,046
Water services	-	-	18,174
Others	-	-	6,673
Total restricted	<u>227,304</u>	<u>79,251</u>	<u>197,153</u>
<b>Assigned:</b>			
Capital projects and improvements	12,857	-	173,539
Public services	3,344	-	3,209
Total assigned	<u>16,201</u>	<u>-</u>	<u>176,748</u>
<b>Unassigned</b>			
Total fund balances	<u>\$ 2,509,464</u>	<u>\$ 79,597</u>	<u>\$ 374,400</u>

**General Fund Departmental Reserve Requirements**

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

Departments must obtain approval from the County Executive 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 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

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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 Executive’s Office to the County 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 12 – 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 reported as 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/annual-comprehensive-financial-reports](http://www.samcera.org/annual-comprehensive-financial-reports).

*Benefit Provisions.* SamCERA provides service retirement, disability, survivor and death benefits 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.

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

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	<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
		(Plan 3 is a non-contributory plan. After five years of service, Plan 3 members can elect membership under the open 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 of the San Mateo County Mosquito and Vector Control District with reciprocity may participate in Plan 4.

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

(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 (except Plan 5 transfers discussed under Plan 5 below) (Note: Plan 4 closed simultaneously with the implementation of Plans 5 and 6.)	7/13/97 - 7/9/11	7/13/97 - 1/7/12
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	2%	2%	2%
	FAC period**	Highest 3 years (non-consecutive)	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.
Plan 5	Hire date	8/7/11 - 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.)	7/10/11 - 12/31/12	1/8/12 - 12/31/12
	Benefit factor	2%@61.25	3%@55	3%@55
	Maximum COLA	2%	2%	2%
	FAC period	Highest 3 years (non-consecutive)	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.
Plan 6	Hire date	Not applicable	7/10/11 - 12/31/12	7/10/11 - 12/31/12
	Benefit factor	Not applicable	2%@50	2%@50
	Maximum COLA	Not applicable	2%	2%
	FAC period	Not applicable	Highest 3 years (non-consecutive)	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.
Plan 7	Hire date	On or after 1/1/13	On or after 1/1/13	On or after 1/1/13
	Benefit factor	2%@62	2.7%@57	2.7%@57
	Maximum COLA	2%	2%	2%
	FAC period	Highest 36 consecutive months	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.

Note 1: Plan 5 is available for all Safety and Probation members.

Note 2: Plan 6 is available for Safety Management and Probation members.

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

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

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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, 2024 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	1,047	2,320	126	1,379	54	-	78	5,004
Safety	245	272	-	207	12	-	13	749
Probation	84	123	-	134	-	-	1	342
Subtotal	1,376	2,715	126	1,720	66	-	92	6,095
<b>INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)</b>								
General	3	160	45	1,060	184	-	1,366	2,818
Safety	-	7	-	41	15	-	86	149
Probation	-	9	-	40	4	1	21	75
Subtotal	3	176	45	1,141	203	1	1,473	3,042
<b>CURRENT MEMBERS, VESTED</b>								
General	2	195	30	1,295	179	-	1,317	3,018
Safety	-	6	-	119	53	-	150	328
Probation	-	1	-	72	7	-	36	116
Subtotal	2	202	30	1,486	239	-	1,503	3,462
<b>CURRENT MEMBERS, NON-VESTED</b>								
General	-	1	1	4	60	-	1,844	1,910
Safety	-	-	-	-	17	-	130	147
Probation	-	-	-	-	-	-	9	9
Subtotal	-	1	1	4	77	-	1,983	2,066
Total Members	1,381	3,094	202	4,351	585	1	5,051	14,665

Note 1: Plans 1, 2, 3, and 4 are closed to new entrants. However, eligible general members of the San Mateo County Mosquito and Vector Control District with reciprocity 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 \$175.7 million and First 5 were \$0.2 million for the fiscal year ended June 30, 2024.

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

As of June 30, 2024, the County reported \$823.2 million for its proportionate share of the net pension liability, while First 5 reported \$1.3 million for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2023, 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, 2023. 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 94.03% as of the June 30, 2023 measurement date, which was a decrease of 0.16% from its share measured as of June 30, 2022.

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For the fiscal year ended June 30, 2024, the County recognized pension expense of \$337.8 million and First 5 recognized pension expense of \$0.5 million. The County reported \$175.7 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 subsequent fiscal year.

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-type Activities	Primary Gov't Total	First 5 San Mateo County
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to measurement date	\$ 149,542	\$ 26,145	\$ 175,687	\$ 227
Changes of pension-related assumptions	134,064	25,036	159,100	213
Difference in actual and proportionate share of pension contributions	789	146	935	1
Differences between expected and actual pension experience	99,324	18,537	117,861	157
Differences between projected and actual earnings on pension investment	157,637	29,278	186,915	249
Total deferred outflows of resources	<u>\$ 541,356</u>	<u>\$ 99,142</u>	<u>\$ 640,498</u>	<u>\$ 847</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Changes in proportionate share of net pension liability	\$ 420	\$ 78	\$ 498	\$ 1
Total deferred inflows of resources	<u>\$ 420</u>	<u>\$ 78</u>	<u>\$ 498</u>	<u>\$ 1</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 Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Gov't Total</u>	<u>First 5</u>
2025	\$ 154,955	\$ 28,852	\$ 183,807	\$ 242
2026	57,857	10,846	68,703	98
2027	175,105	32,569	207,674	273
2028	3,477	652	4,129	6

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**(c) Actuarial Assumptions**

The total pension liabilities in the June 30, 2023 actuarial valuation were determined using the information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2023
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2020 to April 30, 2023
Amortization method	Level Percent of Projected Payroll
Amortization period	The UAAL is amortized over a 15-year period beginning July 1, 2024. This is commonly referred to as a "closed amortization method." Actuarial gains and losses for periods after the June 30, 2023 valuation are amortized over their own closed 15-year periods from the respective dates the new contribution layers are effective.
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	6.42%
Inflation rate (CPI)	2.75%
Payroll growth rate	3.25%
Mortality	See the valuation report as of June 30, 2023, for details.

*Changes in Assumptions.* For the June 30, 2023 valuation, inflation rate was increased from 2.50% to 2.75% and the payroll growth rate was increased from 3.00% to 3.25%.

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 2.75%.



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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
<b>Growth</b>		
Public Equity	41.0%	6.9%
Private Equity	7.0%	9.0%
Opportunistic Credit	11.0%	6.6%
<b>Diversifying</b>		
Defensive Fixed Income	12.5%	4.9%
Absolute Return	6.0%	5.4%
<b>Inflation Hedge</b>		
Real Estate	9.0%	6.8%
Private Real Assets	5.0%	7.4%
Public Real Assets	3.0%	7.4%
<b>Liquidity</b>		
Cash Flow Matched	4.5%	4.7%
Cash & Cash Overlay	1.0%	4.1%
<b>Total</b>	<b>100%</b>	

*Discount Rate.* The investment rate of return assumption used to measure the total pension liability was 6.42% as of June 30, 2023, same as from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA's funding policy and the legal requirements under the County Employees Retirement Law of 1937. In addition, the County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the unfunded actuarial accrued liability. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

*Sensitivity of the County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate.* The following presents net pension liability of the County, calculated using the discount rate of 6.42%, 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 (5.42%) or 1 percentage point higher (7.42%) than the current rate.

(Dollars in Millions)

	<b>Primary Government</b>		
	<b>1% Decrease: 5.42%</b>	<b>Current Discount Rate: 6.42%</b>	<b>1% Increase: 7.42%</b>
Total pension liability	\$ 7,389.2	\$ 6,461.0	\$ 5,705.7
Fiduciary net position	5,637.7	5,637.7	5,637.7
Net pension liability	1,751.5	823.3	68.0
<b>First 5</b>			
	<b>1% Decrease: 5.42%</b>	<b>Current Discount Rate: 6.42%</b>	<b>1% Increase: 7.42%</b>
Total pension liability	\$ 11.7	\$ 10.2	\$ 9.0
Fiduciary net position	8.9	8.9	8.9
Net pension liability	2.8	1.3	0.1

*Pension Plan Fiduciary Net Position.* Detailed information about the plan's fiduciary net position is available in the separately issued SamCERA financial report at [www.samcera.org](http://www.samcera.org).

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**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 \$330 thousand for calendar year 2023. 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 fiscal year ended June 30, 2023, the County contributed \$452 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 fiscal year ended June 30, 2024, the County contributed \$1.6 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 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 47 active participants as of June 30, 2024. During the fiscal year ended June 30, 2024, the Housing Authority contributed \$0.6 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%

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**(In Thousands)**

**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, 2023, participant data for the Plan is as follows: 12 retired and beneficiaries, 65 inactive, and 338 active. The Plan does not issue a stand-alone financial report.

As of December 31, 2023, HPSM recognized pension expense of \$3.0 million and reported \$3.0 million in net pension liability. Deferred outflows and deferred inflows of resources are reported as follows:

	Health Plan of San Mateo (December 31, 2023)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 7
Differences between expected and actual pension experience	1,205
Differences between projected and actual earnings on pension investment	1,756
Total deferred outflows of resources	\$ 2,968
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 5
Total deferred inflows of resources	\$ 5

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

Year Ending December 31	HPSM
2024	\$ 895
2025	1,201
2026	1,187
2027	(387)
2028	67

The table below summarizes changes in the net pension liability for the fiscal year ended December 31, 2023:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
Balance at December 31, 2022	\$ 34,351	\$ 29,281	\$ 5,070
Changes during the year:			
Service cost	2,125	-	2,125
Interest	2,691	-	2,691
Differences between expected and actual experience	421	-	421
Benefit payments	(1,210)	(1,210)	-
Employer contributions	-	2,654	(2,654)
Net investment income	-	4,671	(4,671)
Net changes	4,027	6,115	(2,088)
Balance at December 31, 2023	\$ 38,378	\$ 35,396	\$ 2,982

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Actuarial assumptions used by HPSM as of December 31, 2023:

Valuation date	12/31/2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed amortization
Asset valuation method	Fair value
Actuarial assumptions:	
Projected salary increases	5.00%
Mortality	Pri-2012 total dataset table for males and females, with future mortality improvements projected on a fully generational basis using projection scale MP-2021.
Discount rate	7.50%

The following table summarizes the sensitivity of net pension liability to changes in the discount rates as of December 31, 2023.

	HPSM		
	1% Decrease:	Current Discount Rate:	1% Increase:
	6.50%	7.50%	8.50%
Net pension liability as of December 31, 2023	\$ 5,380	\$ 2,982	\$ 838

**NOTE 13 – 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 Aetna 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, United Healthcare, and Aetna to provide supplemental health coverage for retirees enrolled in Medicare. Medical premiums for retirees enrolled in Medicare are not based on blended active experience; therefore, implicit subsidy does not exist in premiums for retirees enrolled in Medicare and receiving supplemental health coverage.

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

*For the majority of 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, 2024, the conversion benefit is as follows per month.

Years of Service at Retirement	County Monthly Contribution*	Annual Increase	Not to exceed
<15	\$ 440.00	0%	90% of pre-65 Kaiser retiree only premium
15-20	576.56	2%	90% of pre-65 Kaiser retiree only premium
≥20	685.45	4%	90% of pre-65 Kaiser retiree only premium

\* Contribution amount is in dollars.

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

<b>Credit Sick Leave Hours</b>	
Years of Service	Hours
10-15	96
15-20	192
20 or more	288

*For the majority of 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 (in dollars) 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, 2023 pension valuation for SamCERA.

<b>Membership</b>	
Actives	5,241
Retirees and beneficiaries receiving benefits	2,960

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

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

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The contributions for fiscal year ended June 30, 2024, were as follows:

Employer contributions	\$ 18,480
Implicit rate subsidy	10,249
	<u>\$ 28,729</u>

**Net OPEB Liability, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2024, the County reported \$77.1 million of net OPEB liability, while First 5 reported \$0.2 million of net OPEB asset. The net OPEB (asset)/liability of the plan is measured as of June 30, 2023 and the total OPEB liability for the plan used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of June 30, 2023. The County's portion of the net OPEB (asset)/liability, which includes First 5 was 97.8% as of June 30, 2023. The remaining portion of 2.2% is related to County Library and San Mateo Local Agency Formation Commission (LAFCo), which are not part of the County's reporting entity.

For the fiscal year ended June 30, 2024, the County recognized OPEB expense of \$24.4 million and First 5 recognized \$34 thousand. The County reported \$28.0 million and First 5 reported \$39 thousand as deferred outflows of resources related to OPEB contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-type Activities*	Primary Gov't Total	First 5 San Mateo County
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB contributions subsequent to measurement date	\$ 23,123	\$ 4,878	\$ 28,001	\$ 39
Changes of OPEB-related assumptions	24,227	5,192	29,419	55
Differences between expected and actual OPEB experience	6,531	1,419	7,950	12
Differences between projected and actual earnings on OPEB investments	27,484	5,952	33,436	-
Total deferred outflows of resources	<u>\$ 81,365</u>	<u>\$ 17,441</u>	<u>\$ 98,806</u>	<u>\$ 106</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Changes of OPEB-related assumptions	\$ 15,708	\$ 3,369	\$ 19,077	\$ 73
Differences between expected and actual OPEB experience	24,902	5,310	30,212	86
Total deferred inflows of resources	<u>\$ 40,610</u>	<u>\$ 8,679</u>	<u>\$ 49,289</u>	<u>\$ 159</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>	Governmental Activities	Business-type Activities*	Primary Gov't Total	First 5
2025	\$ 3,074	\$ 685	\$ 3,759	\$ (34)
2026	3,433	765	4,198	(36)
2027	10,799	2,348	13,147	2
2028	(1,632)	(346)	(1,978)	(20)
2029	79	23	102	(7)
Thereafter	1,879	409	2,288	3

\* Housing Authority's portion is presented separately.

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*Actuarial Assumptions.* The total OPEB liabilities in the June 30, 2023 actuarial valuation were determined using the information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2023
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2020 to April 30, 2023
Actuarial assumptions:	
Discount rate	5.75%
Long-term expected rate of return	5.75%, net of investment expense
Inflation	2.50%
Payroll growth rate	3.25%
Mortality	Projected with the MP-2021 Mortality Improvement Scale for active members, healthy retirees, and disable
Health cost trend	Adjusted to reflect the expected costs due to ACA
	2024-25 9.70%
	2025-26 5.90%
	2026-27 5.40%
	2027-28 5.30%
	2028-29 5.10%
	2029-30 4.90%
	2030-31 4.80%
	2031-32 4.60%
	2032-33 4.40%
	2033-34 4.20%
	2043-64 4.30%
	After 2073 3.90%
Dental and vision cost trend	2024-25 2.00%
	2025-73 4.00%
	After 2073 3.90%

*Changes in Assumptions.* For the June 30, 2023 valuation, payroll growth rate was increased from 3.00% to 3.25%.

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	34%
U.S. Fixed Income	41%
Treasury Inflation-Protected Securities (TIPS)	5%
Real Estate Investment Trusts (REITs)	17%
Commodities	3%
<b>Total</b>	<b>100%</b>

*Discount Rate.* The investment rate of return assumption used to measure the total OPEB liability was 5.75%, same as from prior fiscal year. 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,

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the discount rate for calculating the total OPEB liability and net OPEB (asset)/liability is equal to the long-term assumed rate of return, gross of administrative expenses.

**Sensitivity of the County's Net OPEB (Asset)/Liability to Changes in the Discount Rate.** The following presents net OPEB (asset)/liability of the County, calculated using the discount rate of 5.75%, as well as what the County's net OPEB (asset)/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.

(Dollars in Millions)

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>4.75%</b>	<b>5.75%</b>	<b>6.75%</b>
Total OPEB liability	\$ 494.2	\$ 453.3	\$ 417.1
Fiduciary net position	376.6	376.6	376.6
Net OPEB (asset) liability	117.6	76.7	40.5

\* 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>4.75%</b>	<b>5.75%</b>	<b>6.75%</b>
Total OPEB liability	\$ (1.0)	\$ (1.0)	\$ (0.9)
Fiduciary net position	(0.8)	(0.8)	(0.8)
Net OPEB (asset) liability	(0.2)	(0.2)	(0.1)

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

(Dollars in Millions)

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Trend Rate:</b>	<b>1% Increase:</b>
Total OPEB liability	\$ 414.5	\$ 453.3	\$ 498.9
Fiduciary net position	376.6	376.6	376.6
Net OPEB (asset) liability	37.9	76.7	122.3

\* 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	\$ (0.9)	\$ (1.0)	\$ (1.0)
Fiduciary net position	(0.8)	(0.8)	(0.8)
Net OPEB (asset) liability	(0.1)	(0.2)	(0.2)



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**OPEB Plan Fiduciary Net Position.** The Plan Fiduciary Net Position and total OPEB liability were determined as of the measurement date. The components of the net OPEB (asset)/liability as of June 30, 2023 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * (Asset) Liability
Balance at June 30, 2022	\$ 442,489	\$ 373,112	\$ 69,377
Changes for the year:			
Service cost	15,792	-	15,792
Interest on total OPEB liability	25,619	-	25,619
Effect of plan changes	6,920	-	6,920
Effect of economic/demographic gains or losses	(16,162)	-	(16,162)
Effect of assumptions changes or inputs	13,906	-	13,906
Benefit payments	(25,821)	(25,821)	-
Employer contributions	-	24,315	(24,315)
Net investment income	-	13,007	(13,007)
Administrative expenses	-	(182)	182
Net changes	20,254	11,319	8,935
Balance at June 30, 2023	\$ 462,743	\$ 384,431	\$ 78,312

\* Of the balance at June 30, 2023, \$76.7 million belonged to the primary government, (\$0.1) million to First 5, and \$1.7 million to the County Library and LAFCo.

The table below summarizes changes for the primary government:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
Balance at June 30, 2022	\$ 423,067	\$ 355,062	\$ 68,005
Changes for the year	19,782	11,055	8,727
Balance at June 30, 2023	\$ 442,849	\$ 366,117	\$ 76,732

**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 a minimum of 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

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Teamster plan that is a secondary payer to Medicare. The 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 (in dollars) 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, 2024, the Housing Authority has 52 active and 9 retirees that were covered by the benefit terms under the plan.

**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, 2024, the Housing Authority contributed \$0.1 million to the trust.

**Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2024, the Housing Authority reported \$0.4 million of net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2024, 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, 2024. For the fiscal year ended June 30, 2024, the Housing Authority recognized OPEB expense of \$137 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	\$ 83
Differences between expected and actual OPEB experience	132
Differences between projected and actual earnings on OPEB investments	122
Total deferred outflows of resources	\$ 337
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of OPEB-related assumptions	\$ 169
Differences between expected and actual OPEB experience	125
Total deferred inflows of resources	\$ 294

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

Year Ending June 30	Housing Authority
2025	\$ 39
2026	59
2027	(1)
2028	(11)
2029	(11)
Thereafter	(32)

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The changes in the net OPEB liability as of June 30, 2024 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 1,890	\$ 1,478	\$ 412
Changes recognized for the measurement period:			
Service cost	62	-	62
Interest on total OPEB liability	112	-	112
Effect of economic/demographic gains or losses	51	-	51
Changes of assumptions	(82)	-	(82)
Benefit payments	(24)	(23)	(1)
Employer contributions	-	97	(97)
Net investment income	-	55	(55)
Administrative expenses	-	(1)	1
Net changes	119	128	(9)
Balance at June 30, 2024	\$ 2,009	\$ 1,606	\$ 403

**Actuarial Assumptions.** The Housing Authority’s Plan was measured as of June 30, 2024 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	6/30/2024
Actuarial assumptions:	
Discount rate	5.75%
Investment rate of return	5.75%
Inflation	2.50%
Payroll growth rate	3.77% - 9.96%
Mortality	PUB-2010 healthy and retiree mortality table for general employees projected using scale MIP-2021
Pre-retirement turnover	Derived from 2023 SamCERA experience study
Healthcare trend rate	3.90% - 6.40%

The Housing Authority’s Plan 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Expected Arithmetic Nominal Return</u>
Global Equity	23%	8.73%
U.S. Fixed Income	51%	5.79%
Treasury Inflation-Protected Securities	9%	4.32%
Real Estate Investment Trusts	14%	9.37%
Commodities	3%	5.61%
<b>Total</b>	<b>100%</b>	
Expected Arithmetic Return (30 years)		6.83%
Expected Geometric Return (30 years)		6.40%

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

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

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net OPEB liability	\$ 598	\$ 403	\$ 230

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 208	\$ 403	\$ 629

**NOTE 14 – 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 \$50,000 in aggregate.
- Flood damage in excess of \$100 or 5% of the replacement value per location, whichever is more per incident, special hazard flood in excess of \$500 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 \$40,000.
- 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 \$40,000.
- Malpractice in excess of \$1,000 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 \$63.4 million, as reported in the internal service funds at June 30, 2024, 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 \$55.2 million of the \$63.4 million reported was actuarially

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determined at a discount rate of 2%. The actuarially determined liability (which covers workers' compensation losses, general liability, and automobile liability) includes allocated loss adjustment expenses, case reserves, development of known claims, and incurred but not reported claims. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage in FY 2023-24.

Changes to the claims liability for FY 2022-23 and FY 2023-24 are as follows:

Liability at June 30, 2022	\$	58,148
Current year claims and changes in estimates		24,541
Payments on claims		<u>(22,456)</u>
Liability at June 30, 2023		60,233
Current year claims and changes in estimates		28,847
Payments on claims		<u>(25,633)</u>
Liability at June 30, 2024	\$	<u><u>63,447</u></u>

**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, 2024, the Housing Authority paid \$0.2 million towards premium and received surplus distribution of \$0.5 thousand from HAIG.

**NOTE 15 – 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, 2024, the County’s General Fund had a total of \$12.6 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 from allegations of potential wrongdoing. While no such regulatory inquiries have been made, except as disclosed below, 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.

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The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity with respect to investigations and allegations concerning possible violations of regulations by healthcare providers could result in the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management is unaware of any such actions that would have a material adverse effect on the Medical Center's financial position.

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.

**Medical Center Concentration Risk**

Receivables from federal and State government agencies represent a total of \$196.6 million at June 30, 2024, 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 are 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 U.S. Department of Health and Human Services. For the programs described above, the FMAP was 50% for the non-Medicaid Coverage Expansion (MCE) population and for the MCE population the FMAP was 100% for January 1, 2016 through December 31, 2017, declining to 94% in 2018, 93% in 2019, and 90% in 2020 and thereafter. The 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 FMAP reimbursement for "newly eligible" Medi-Cal Managed Care enrollees, and temporary Medi-Cal coverage through the Hospital Presumptive Eligibility program. On January 1, 2020, Medi-Cal eligibility expanded full-scope Medi-Cal to children regardless of immigration status and to young adults aged 19 to 25. On July 27, 2021, Governor Newsom signed a health trailer bill AB 133 that expanded full-scope Medi-Cal to undocumented Californians of age 50 years and older, effective May 1, 2022. Additionally, Governor Newsom announced expansion of full-scope Medi-Cal to Californians of ages 26 to 49 effective January 1, 2024. The undocumented populations covered by California's expansion of Medi-Cal benefits are not eligible for federal matching funds.

California's initial Section 1115 Medicaid Waiver, the Medi-Cal Hospital/Uninsured Demonstration Project (Demonstration), altered the way Medi-Cal paid for hospital care by shifting funding responsibility for the non-federal share of matching funds and creating a Safety Net Care Pool (SNCP) to provide a fixed amount of federal funding to cover uncompensated health care costs. The waiver restricted the use of intergovernmental transfers and required

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designated public hospitals to use certified public expenditures (CPEs, whereby public hospitals as a public governmental entity certify actual expenditures) to provide the non-federal share of match for inpatient per diem payments, Disproportionate Share Hospital (DSH) payments up to 100% of costs, and SNCP payments, and limited the use of IGTs for DSH payments between 100 – 175% of costs.

The Demonstration 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 affected 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 reimbursement for inpatient hospital services (exclusive of physician component); 2) Medi-Cal DSH payments; 3) distribution from a newly created pool of federal funding for uninsured care, known as the 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 covered i) LIHP, which includes the Medicaid Coverage Expansion (MCE) and Health Care Coverage Initiative (HCCI) previously called Coverage Initiative; and ii) Delivery System Reform Incentive Pool (DSRIP) program, which is a subset of the SNCP. The non-federal share of these five types of payments was provided by the public hospitals rather than the State, primarily through CPE whereby a hospital expended its local funding for services to draw down 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, 2024, the Medical Center’s P14 cost reports have undergone an audit by DHCS except for FY22. CMS requires audits of the DHS, SNCP, and the Physician Non-Physician Practitioner Supplemental Reimbursement Program (PNPP) under the California State Plan Amendment (SPA) separately. Audits for the program year FY22-FY23 for these sections are in process and expected to be closed in FY25.

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.

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 five other public hospitals. CMS filed an appeal, which was ultimately withdrawn on July 18, 2018 by the United States Court of Appeals, Ninth Circuit.

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Management is working with the California Association of Public Hospitals and County Health Department to evaluate the ultimate impact of this settlement, which is dependent on the outcome of final DSH audits for the year FY11 for all public hospitals. Management estimates the outcome of these audits will not have a material impact 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 contracts with HPSM for this program to be reimbursed at Medicare FFS rates.

The Medical Center received a total of \$137.1 million in FY24 from HPSM, which includes \$127.5 million in FFS revenue, \$6.3 million in primary care capitation revenue, and \$3.4 million for pay-for-performance (P4P) revenue. The FFS revenue is reported as a component of net patient service revenue while primary care capitation, prior year rate range revenues 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, 2024, the last Medical Center Medicare cost report audited by the fiscal intermediary was for June 30, 2018. 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, 2024, the Medical Center had \$0.2 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 FY24, the Medical Center recognized \$18.0 million in AB 85 realignment revenues for estimated revisions to calculated apportionments to the Medical Center based on associated costs, which is reflected as sales tax realignment revenue in the statement of revenues, expenses and changes in net position.

### **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 contractual allowances 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.



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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 services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Throughout the admission, billing and collection processes, certain patients are identified by the Medical Center as qualifying for the charity care program. Once a patient is determined to be eligible for the Medical Center program, the patient's account is classified as charity care and associated charges are not reported as revenue. Costs are the basis for valuing charity care. The cost of charity care provided was approximately \$31.9 million for the fiscal year ended June 30, 2024. The total cost estimate is based on a ratio of cost to charges, where costs are allocated as a percentage of charity care revenue. Charity care charges are calculated as patient gross charges, less any payments for patient service revenue due to sliding-scale payments or other patient-specific sources and totaled \$46.1 million for the fiscal year ended June 30, 2024. Net charity charges over costs for the fiscal year ended June 30, 2024, amounted to \$14.2 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 which have advanced to litigation. Genentech's appeal applications routinely claim a 50% reduction in the value of its properties as assessed by the County. Addressing these claims has resulted in two separate lawsuits, one in which Genentech sued the County (the "Genentech Action") following an AAB decision and one in which the Assessor brought a Writ (the "Writ Action") with respect to the same AAB decision. As of February 2024, the parties have settled the Genentech Action. The parties are currently negotiating a settlement in the Writ Action and anticipate that once both actions/settlements are remanded to the AAB for implementation a refund in excess of \$17 million plus interest will be due to Genentech.

**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.



**Required Supplementary Information  
(Unaudited)**

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**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 \$100.8 million at June 30, 2024, 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 2023-24.

PCI Condition Rating	2024	2024	2023	2023	2022	2022
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
<b>Primary:</b>						
Good to excellent (55-100)	142.77	90.8%	143.03	91.0%	146.12	92.9%
Substandard to fair (0-54)	14.44	9.2%	14.18	9.0%	11.09	7.1%
Total	157.21	100.0%	157.21	100.0%	157.21	100.0%
<b>Secondary:</b>						
Fair to excellent (40-100)	144.36	90.7%	145.23	91.3%	141.13	88.7%
Substandard (0-39)	14.75	9.3%	13.88	8.7%	17.98	11.3%
Total	159.11	100.0%	159.11	100.0%	159.11	100.0%

For the fiscal year ended June 30, 2024, the estimated maintenance and preservation cost exceeded the actual costs by \$275. 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	
2019	\$ 5,056	\$ 5,681	\$ (625)
2020	6,076	5,631	445
2021	5,498	5,031	467
2022	5,078	4,551	527
2023	6,718	6,463	255
2024	6,647	6,372	275

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**For the Fiscal Year Ended June 30, 2024**  
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**2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<b>2024</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
County's proportion of the collective net pension liability	75.35%	18.53%	0.15%	94.03%
County's proportionate share of the collective net pension liability	\$ 660,715	\$ 162,504	\$ 1,303	\$ 824,522
County's covered payroll	473,442	120,143	921	594,506
County's proportionate share of the collective net pension liability as a percentage of covered payroll	139.56%	135.26%	141.45%	138.69%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	87.26%	87.26%	87.26%
	<b>2023</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
County's proportion of the collective net pension liability	75.01%	19.03%	0.15%	94.19%
County's proportionate share of the collective net pension liability	\$ 553,002	\$ 140,331	\$ 1,076	\$ 694,409
County's covered payroll	306,641	259,376	1,625	567,642
County's proportionate share of the collective net pension liability as a percentage of covered payroll	180.34%	54.10%	66.22%	122.33%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%
	<b>2022</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
County's proportion of the collective net pension liability	50.11%	42.38%	0.27%	92.76%
County's proportionate share of the collective net pension liability	\$ 53,963	\$ 45,646	\$ 286	\$ 99,895
County's covered payroll	461,793	105,303	789	567,885
County's proportionate share of the collective net pension liability as a percentage of covered payroll	11.69%	43.35%	36.26%	17.59%
Plan fiduciary net position as a percentage of the total pension liability	98.23%	98.23%	98.23%	98.23%
	<b>2021</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
County's proportion of the collective net pension liability	76.92%	17.54%	0.13%	94.59%
County's proportionate share of the collective net pension liability	\$ 676,723	\$ 154,314	\$ 1,156	\$ 832,193
County's covered payroll	446,899	113,569	804	561,272
County's proportionate share of the collective net pension liability as a percentage of covered payroll	151.43%	135.88%	143.78%	148.27%
Plan fiduciary net position as a percentage of the total pension liability	84.46%	84.46%	84.46%	84.46%
	<b>2020</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	121.37%	111.05%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
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	<b>2019</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	98.38%	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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	120.29%	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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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	399,906	83,099	552	483,557
County's proportionate share of the collective net pension liability as a percentage of covered payroll	139.72%	139.72%	139.72%	139.72%
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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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, 2015, 7.20% as of June 30, 2016, 6.92% as of June 30, 2017 and June 30, 2018, 6.67% as of June 30, 2019 and June 30, 2020, and was reduced to 6.42% as of June 30, 2021 through June 30, 2023.

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

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

	<b>2024</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
Contractually required contributions	\$ 139,542	\$ 26,145	\$ 227	\$ 165,914
Contributions in relation to the contractually required contribution	149,542	26,145	227	175,914
Contribution deficiency (excess)	(10,000)	-	-	(10,000)
Covered payroll	510,025	125,442	1,006	636,472
Contributions as a percentage of covered payroll	29.32%	20.84%	22.57%	27.64%

	<b>2023</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
Contractually required contributions	\$ 190,573	\$ 35,326	\$ 290	\$ 226,189
Contributions in relation to the contractually required contribution	200,573	35,326	290	236,189
Contribution deficiency (excess)	(10,000)	-	-	(10,000)
Covered payroll	473,442	120,143	921	594,506
Contributions as a percentage of covered payroll	42.36%	29.40%	31.48%	39.73%

	<b>2022</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
Contractually required contributions	\$ 187,445	\$ 34,731	\$ 280	\$ 222,456
Contributions in relation to the contractually required contribution	202,645	34,731	280	237,656
Contribution deficiency (excess)	(15,200)	-	-	(15,200)
Covered payroll	306,641	259,376	1,625	567,642
Contributions as a percentage of covered payroll	66.09%	13.39%	17.23%	41.87%

	<b>2021</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
Contractually required contributions	\$ 180,600	\$ 33,512	\$ 268	\$ 214,380
Contributions in relation to the contractually required contribution	220,300	33,512	268	254,080
Contribution deficiency (excess)	(39,700)	-	-	(39,700)
Covered payroll	461,793	105,303	789	567,885
Contributions as a percentage of covered payroll	47.71%	31.82%	33.97%	44.74%

	<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%

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<b>2019</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	33.28%	44.97%

	<b>2018</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	32.31%	39.11%

	<b>2017</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</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%	35.46%	39.91%

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

*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	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarial cost method	Entry Age Normal	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	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 *	6.42%	6.42%	6.42%	6.67%	6.75%
Inflation rate (CPI)	2.50%	2.50%	2.50%	2.50%	2.50%
Annual projected salary increases	3.00%	3.00%	3.00%	3.00%	3.00%
* Net of pension plan investment and administrative expenses					
Valuation date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarial cost method	Entry Age Normal	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	Level Percent of Payroll
Amortization period	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL is amortized over separate closed 15-year layers which are determined annually.				
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.				
Actuarial assumptions:					
Investment rate of return *	6.75%	7.00%	7.25%	7.25%	7.50%
Inflation rate (CPI)	2.50%	2.75%	3.00%	3.00%	3.25%
Annual projected salary increases	3.00%	3.25%	3.50%	3.50%	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, 2024**  
**(In Thousands)**

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

	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 2,125	\$ 2,014	\$ 1,851	\$ 1,761	\$ 1,556
Interest	2,691	2,422	2,157	1,842	1,655
Differences between expected and actual experience	421	147	243	1,515	562
Changes of assumptions	-	-	-	(15)	37
Benefit payments	(1,210)	(1,009)	(745)	(1,229)	(1,801)
Net change in total pension liability	4,027	3,574	3,506	3,874	2,009
Total pension liability beginning of year	34,351	30,777	27,271	23,397	21,388
Total pension liability end of year (a)	<u>\$ 38,378</u>	<u>\$ 34,351</u>	<u>\$ 30,777</u>	<u>\$ 27,271</u>	<u>\$ 23,397</u>
<b>Plan fiduciary net pension</b>					
Contributions	2,654	2,096	1,949	1,772	1,613
Net investment income	4,671	(4,956)	3,212	3,805	4,100
Benefit payments	(1,210)	(1,009)	(745)	(1,229)	(1,801)
Net change in Plan fiduciary net position	6,115	(3,869)	4,416	4,348	3,912
Plan fiduciary net position beginning of year	29,281	33,150	28,734	24,386	20,474
Plan fiduciary net position end of year (b)	<u>\$ 35,396</u>	<u>\$ 29,281</u>	<u>\$ 33,150</u>	<u>\$ 28,734</u>	<u>\$ 24,386</u>
<b>Net pension liability (asset) end of year</b>					
Plan's net pension liability (asset) (a) - (b)	\$ 2,982	\$ 5,070	\$ (2,373)	\$ (1,463)	\$ (989)
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.2%	85.2%	107.7%	105.4%	104.2%
Covered payroll	\$ 32,335	\$ 28,064	\$ 27,279	\$ 26,690	\$ 23,368
Net pension liability (asset) as a percentage of covered payroll	9.22%	18.07%	-8.70%	-5.48%	-4.23%
	2018	2017	2016	2015	
<b>Total pension liability</b>					
Service cost	\$ 1,409	\$ 1,343	\$ 1,187	\$ 1,253	
Interest	1,494	1,369	1,265	1,284	
Differences between expected and actual experience	580	642	365	(460)	
Changes of assumptions	(2)	1	4	(1,472)	
Benefit payments	(1,169)	(2,335)	(875)	(709)	
Net change in total pension liability	2,312	1,020	1,946	(104)	
Total pension liability beginning of year	19,076	18,056	16,110	16,214	
Total pension liability end of year (a)	<u>\$ 21,388</u>	<u>\$ 19,076</u>	<u>\$ 18,056</u>	<u>\$ 16,110</u>	
<b>Plan fiduciary net pension</b>					
Contributions	1,397	1,313	1,164	1,459	
Net investment income	(1,086)	2,921	1,401	(71)	
Benefit payments	(1,169)	(2,335)	(875)	(709)	
Net change in Plan fiduciary net position	(858)	1,899	1,690	679	
Plan fiduciary net position beginning of year	21,332	19,433	17,743	17,064	
Plan fiduciary net position end of year (b)	<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)	\$ 914	\$ (2,256)	\$ (1,377)	\$ (1,633)	
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.7%	111.8%	107.6%	110.1%	
Covered payroll	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,554	
Net pension liability (asset) as a percentage of covered payroll	4.11%	-11.23%	-7.58%	-9.86%	

**Notes to Schedule 4:**

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

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, 2024**  
**(In Thousands)**

**5. HPSM'S SCHEDULE OF CONTRIBUTIONS**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 2,654	\$ 2,096	\$ 1,949	\$ 1,772	\$ 1,613
Contributions related to actuarially determined contribution	2,654	2,096	1,949	1,772	1,613
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 32,335	\$ 28,064	\$ 27,279	\$ 26,690	\$ 23,368
Contributions as a percentage of covered payroll	8.21%	7.47%	7.14%	6.64%	6.90%
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,397	\$ 1,313	\$ 1,164	\$ 1,437	\$ 1,368
Contributions related to actuarially determined contribution	1,397	1,313	1,164	1,459	1,333
Contribution deficiency (excess)	-	-	-	(22)	35
Covered payroll	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,536	\$ 15,990
Contributions as a percentage of covered payroll	6.29%	6.54%	6.41%	8.82%	8.34%

**6. SCHEDULE OF CHANGES IN THE NET OPEB (ASSET) 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 22-23	FY 21-22	FY 20-21	FY 19-20
<b>Total OPEB liability</b>				
Service cost	\$ 15,792	\$ 14,706	\$ 13,966	\$ 16,580
Interest on total OPEB liability	25,619	23,680	25,704	27,776
Effect of plan changes	6,920	(6,315)	-	-
Effect of economic/demographic gains or losses	(16,162)	9,979	(24,929)	(1,428)
Effect of assumptions changes or inputs	13,906	15,198	7,997	(34,002)
Benefit payments	(25,821)	(23,450)	(22,368)	(22,338)
<b>Net change in total OPEB liability</b>	20,254	33,798	370	(13,412)
<b>Total OPEB liability - beginning</b>	442,489	408,691	408,321	421,733
<b>Total OPEB liability - ending (a)</b>	<u>\$ 462,743</u>	<u>\$ 442,489</u>	<u>\$ 408,691</u>	<u>\$ 408,321</u>
<b>Plan fiduciary net position</b>				
Employer contributions	\$ 24,315	\$ 26,383	\$ 28,692	\$ 28,208
Net investment income	13,007	(53,800)	69,120	16,491
Benefit payments	(25,821)	(23,450)	(22,368)	(22,338)
Administrative expenses	(182)	(206)	(190)	(165)
<b>Net change in plan fiduciary net position</b>	11,319	(51,073)	75,254	22,196
<b>Plan fiduciary net position - beginning</b>	373,112	424,185	348,931	326,735
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 384,431</u>	<u>\$ 373,112</u>	<u>\$ 424,185</u>	<u>\$ 348,931</u>
<b>Net OPEB (asset) liability - ending (a) - (b)</b>	<u>\$ 78,312</u>	<u>\$ 69,377</u>	<u>\$ (15,494)</u>	<u>\$ 59,390</u>
<b>Plan fiduciary net position as a percentage of the total OPEB (asset) liability</b>	83.08%	84.32%	103.79%	85.46%
<b>Covered payroll</b>	\$ 696,577	\$ 720,348	\$ 669,632	\$ 644,963
<b>Net OPEB (asset) liability as a percentage of covered payroll</b>	11.24%	9.63%	-2.31%	9.21%

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>
<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>	<u>21,194</u>	<u>34,317</u>	<u>(44,170)</u>
<b>Total OPEB liability - beginning</b>	<u>400,539</u>	<u>366,222</u>	<u>410,392</u>
<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>	<u>27,975</u>	<u>21,310</u>	<u>26,877</u>
<b>Plan fiduciary net position - beginning</b>	<u>298,760</u>	<u>277,450</u>	<u>250,573</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 326,735</u>	<u>\$ 298,760</u>	<u>\$ 277,450</u>
<b>Net OPEB (asset) 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 (asset) liability</b>	77.47%	74.59%	75.76%
<b>Covered payroll</b>	\$ 611,331	\$ 585,556	\$ 561,429
<b>Net OPEB (asset) 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, 6.50% as of June 30, 2019 and June 30, 2020, 6.25% as of June 30, 2021, and was reduced to 5.75% as of June 30, 2022 through June 30, 2024.

*Net OPEB (Asset) Liability* – This schedule represents the activities and balance of the single employer defined benefit plan which includes County Library and San Mateo Local Agency Formation Commission that are not part of the County's reporting entity. The County's portion, including First 5, was \$76.6 million, or 97.67% as of June 30, 2024, \$68.2 million, or 97.55% as of June 30, 2023, (\$14.8) million, or 95.45% as of June 30, 2022, \$58.2 million, or 97.99% as of June 30, 2021, \$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, 2024**  
**(In Thousands)**

**7. SCHEDULE OF OPEB CONTRIBUTIONS**

	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20
Actuarially determined contribution	\$ 23,895	\$ 14,968	\$ 20,036	\$ 26,365	\$ 25,905
Contributions in relation to the actuarially determined contribution	28,729	24,315	26,383	28,692	28,208
Contribution deficiency (excess)	<u>\$ (4,834)</u>	<u>\$ (9,347)</u>	<u>\$ (6,347)</u>	<u>\$ (2,327)</u>	<u>\$ (2,303)</u>
Covered payroll	\$ 756,726	\$ 696,577	\$ 720,348	\$ 669,632	\$ 644,963
Contributions as a percentage of covered payroll	3.80%	3.49%	3.66%	4.28%	4.37%
	FY 18-19	FY 17-18	FY 16-17		
Actuarially determined contribution	\$ 25,221	\$ 23,579	\$ 29,945		
Contributions in relation to the actuarially determined contribution	29,161	24,579	29,945		
Contribution deficiency (excess)	<u>\$ (3,940)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>		
Covered payroll	\$ 611,331	\$ 585,556	\$ 561,429		
Contributions as a percentage of covered payroll	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.

Actuarial Valuation (For Funding Purposes)					
Valuation date	6/30/2023	6/30/2021	6/30/2019	6/30/2017	6/30/2015
Actuarial cost method	Entry Age Normal	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	Level Percent of Payroll
Amortization period	A fixed 30-year period from July 1, 2005.				
	The remaining amortization period as of July 1, 2021 is 14 years.	The remaining amortization period as of July 1, 2021 is 14 years.	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	5-8.2 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 *	5.75%	5.75%	6.50%	6.73%	6.73%
Inflation rate (CPI)	2.50%	2.50%	2.75%	2.75%	2.75%
Annual projected salary increases	3.00%	3.00%	3.00%	3.00%	3.00%
Healthcare cost trend rates	8.9% in 2022-23, decreasing to 3.9% in 2082 and beyond.	5.1% in 2021-22, decreasing to 4.0% in 2074 and beyond.	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	MP-2021 Mortality Improvement Scale.	MP-2014 Ultimate Projection Scale.	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, 2024**  
**(In Thousands)**

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

	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20
<b>Total OPEB liability</b>					
Service cost	\$ 62	\$ 74	\$ 59	\$ 49	\$ 58
Interest on total OPEB liability	112	97	87	92	92
Effect of economic/demographic gains or losses	51	(91)	129	(23)	(72)
Effect of assumptions changes or inputs	(82)	(49)	(60)	33	(44)
Benefit payments	(24)	(15)	(30)	(33)	(23)
<b>Net change in total OPEB liability</b>	<u>119</u>	<u>16</u>	<u>185</u>	<u>118</u>	<u>11</u>
<b>Total OPEB liability - beginning</b>	<u>1,890</u>	<u>1,874</u>	<u>1,689</u>	<u>1,571</u>	<u>1,560</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 2,009</u>	<u>\$ 1,890</u>	<u>\$ 1,874</u>	<u>\$ 1,689</u>	<u>\$ 1,571</u>
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 97	\$ 116	\$ 77	\$ 74	\$ 93
Net investment income	55	51	(188)	171	64
Benefit payments	(23)	(15)	(30)	(33)	(23)
Administrative expenses	(1)	(1)	(1)	(1)	(1)
<b>Net change in plan fiduciary net position</b>	<u>128</u>	<u>151</u>	<u>(142)</u>	<u>211</u>	<u>133</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,478</u>	<u>1,327</u>	<u>1,469</u>	<u>1,258</u>	<u>1,125</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,606</u>	<u>\$ 1,478</u>	<u>\$ 1,327</u>	<u>\$ 1,469</u>	<u>\$ 1,258</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 403</u>	<u>\$ 412</u>	<u>\$ 547</u>	<u>\$ 220</u>	<u>\$ 313</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	79.93%	78.20%	70.80%	86.98%	80.07%
<b>Covered payroll</b>	\$ 4,322	\$ 3,688	\$ 4,487	\$ 4,319	\$ 3,949
<b>Net OPEB liability as a percentage of covered payroll</b>	9.32%	11.17%	12.19%	5.09%	7.93%
	FY 18-19	FY 17-18			
<b>Total OPEB liability</b>					
Service cost	\$ 30	\$ 31			
Interest on total OPEB liability	76	71			
Effect of economic/demographic gains or losses	(40)	27			
Effect of assumptions changes or inputs	214	(22)			
Benefit payments	(13)	(36)			
<b>Net change in total OPEB liability</b>	<u>267</u>	<u>71</u>			
<b>Total OPEB liability - beginning</b>	<u>1,293</u>	<u>1,222</u>			
<b>Total OPEB liability - ending (a)</b>	<u>\$ 1,560</u>	<u>\$ 1,293</u>			
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 52	\$ 55			
Net investment income	77	44			
Benefit payments	(13)	(6)			
Administrative expenses	(1)	(1)			
<b>Net change in plan fiduciary net position</b>	<u>115</u>	<u>92</u>			
<b>Plan fiduciary net position - beginning</b>	<u>1,010</u>	<u>918</u>			
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,125</u>	<u>\$ 1,010</u>			
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 435</u>	<u>\$ 283</u>			
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	72.10%	78.08%			
<b>Covered payroll</b>	\$ 3,644	\$ 3,351			
<b>Net OPEB liability as a percentage of covered payroll</b>	11.94%	8.45%			

**Notes to Schedule 8:**

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, 2024**  
**(In Thousands)**

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

	<u>FY 23-24</u>	<u>FY 22-23</u>	<u>FY 21-22</u>	<u>FY 20-21</u>	<u>FY 19-20</u>
Actuarially determined contribution	\$ 97	\$ 116	\$ 77	\$ 74	\$ 93
Contributions in relation to the actuarially determined contribution	<u>97</u>	<u>116</u>	<u>77</u>	<u>74</u>	<u>93</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,322	\$ 3,688	\$ 4,487	\$ 4,319	\$ 3,949
Contributions as a percentage of covered payroll	2.24%	3.15%	1.72%	1.71%	2.36%
	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>		
Actuarially determined contribution	\$ 52	\$ 55	\$ 46		
Contributions in relation to the actuarially determined contribution	<u>52</u>	<u>55</u>	<u>46</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 3,644	\$ 3,351	\$ 3,314		
Contributions as a percentage of covered payroll	1.43%	1.64%	1.39%		

**Notes to Schedule 9:**

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



General Fund

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 1,204,483	\$ 1,204,483	\$ -	858,190	\$ (346,293)
<b>Resources (inflows):</b>					
Taxes	997,788	999,658	1,870	1,032,500	32,842
Licenses and permits	9,020	9,020	-	7,734	(1,286)
Fines, forfeitures and penalties	6,618	6,618	-	5,476	(1,142)
Use of money and property	26,345	26,345	-	107,760	81,415
Intergovernmental revenues	776,156	812,043	35,887	679,093	(132,950)
Charges for services	192,251	192,451	200	202,090	9,639
Interfund revenue	87,659	88,159	500	(425)	(88,584)
Miscellaneous revenue	30,133	30,811	678	23,088	(7,723)
Other financing sources	44,415	44,187	(228)	15,184	(29,003)
Amounts available for appropriation	2,170,385	2,209,292	38,907	2,072,500	(136,792)
<b>General Government</b>					
<b>Board of Supervisors - Special Projects</b>					
Salaries and benefits	4,936	4,936	-	4,550	386
Services and supplies	396	396	-	257	139
Other charges	470	470	-	409	61
Other financing uses	21	21	-	15	6
Intrafund transfers	(77)	(77)	-	(42)	(35)
Total Board of Supervisors - Special Projects	5,746	5,746	-	5,189	557
<b>County Executive/Clerk of the Board</b>					
Salaries and benefits	15,985	15,985	-	14,183	1,802
Services and supplies	29,335	26,831	(2,504)	3,722	23,109
Other charges	3,062	3,088	26	1,700	1,388
Capital assets	-	1,003	1,003	544	459
Other financing uses	133	233	100	200	33
Intrafund transfers	(2,158)	(2,158)	-	(1,445)	(713)
Contingencies	4,260	4,260	-	-	4,260
Total County Executive/Clerk of the Board	50,617	49,242	(1,375)	18,904	30,338
<b>Special Services</b>					
Salaries and benefits	1,226	1,226	-	738	488
Services and supplies	565	565	-	437	128
Other charges	23,657	23,657	-	23,592	65
Other financing uses	26	26	-	23	3
Intrafund transfers	(21,544)	(21,544)	-	(20,880)	(664)
Contingencies	677	677	-	-	677
Total Special Services	4,607	4,607	-	3,910	697
<b>Assessor-Clerk-Recorder</b>					
Salaries and benefits	30,259	30,259	-	27,956	2,303
Services and supplies	19,854	19,767	(87)	9,251	10,516
Other charges	2,852	2,852	-	3,046	(194)
Capital assets	9,911	9,998	87	2,758	7,240
Other financing uses	1,734	1,734	-	543	1,191
Intrafund transfers	(26,919)	(26,919)	-	(11,565)	(15,354)
Contingencies	1,431	1,431	-	-	1,431
Total Assessor-Clerk-Recorder	39,122	39,122	-	31,989	7,133

(Continued)



**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Controller's Office</b>					
Salaries and benefits	11,132	11,132	-	10,252	880
Services and supplies	4,525	4,525	-	3,320	1,205
Other charges	1,680	1,680	-	1,115	565
Other financing uses	201	201	-	182	19
Intrafund transfers	(2,080)	(2,080)	-	(640)	(1,440)
Contingencies	3,198	3,198	-	-	3,198
Total Controller's Office	18,656	18,656	-	14,229	4,427
<b>Tax Collector/Treasurer</b>					
Salaries and benefits	6,045	6,045	-	4,006	2,039
Services and supplies	6,887	6,845	(42)	3,326	3,519
Other charges	1,975	1,975	-	816	1,159
Capital assets	-	42	42	38	4
Other financing uses	171	171	-	154	17
Intrafund transfers	(110)	(110)	-	(81)	(29)
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	15,235	15,235	-	8,259	6,976
<b>County Attorney</b>					
Salaries and benefits	15,033	15,033	-	14,837	196
Services and supplies	2,862	1,954	(908)	1,699	255
Other charges	628	628	-	624	4
Capital assets	-	1,208	1,208	464	744
Other financing uses	23	23	-	24	(1)
Intrafund transfers	(2,971)	(2,971)	-	(2,749)	(222)
Contingencies	4,958	4,958	-	-	4,958
Total County Attorney	20,533	20,833	300	14,899	5,934
<b>Human Resources</b>					
Salaries and benefits	19,534	19,534	-	17,263	2,271
Services and supplies	5,888	4,618	(1,270)	2,667	1,951
Other charges	1,690	1,760	70	1,761	(1)
Capital assets	-	1,200	1,200	830	370
Other financing uses	1,592	1,592	-	85	1,507
Intrafund transfers	(3,972)	(3,972)	-	(2,677)	(1,295)
Contingencies	533	533	-	-	533
Total Human Resources	25,265	25,265	-	19,929	5,336
<b>Information Services</b>					
Salaries and benefits	31,799	31,922	123	28,956	2,966
Services and supplies	57,111	41,640	(15,471)	19,024	22,616
Other charges	2,469	2,765	296	2,708	57
Capital assets	-	15,181	15,181	4,949	10,232
Other financing uses	353	353	-	305	48
Intrafund transfers	(36,585)	(36,585)	-	(30,568)	(6,017)
Contingencies	2,916	2,916	-	-	2,916
Total Information Services	58,063	58,192	129	25,374	32,818
<b>Public Works</b>					
Salaries and benefits	38,584	37,634	(950)	31,912	5,722
Services and supplies	27,637	28,587	950	24,824	3,763
Other charges	9,723	9,723	-	6,964	2,759
Capital assets	130	130	-	90	40
Other financing uses	623	623	-	580	43
Intrafund transfers	(35,153)	(35,153)	-	(35,388)	235
Contingencies	5,551	5,551	-	-	5,551
Total Public Works	47,095	47,095	-	28,982	18,113

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Non-Departmental Services</b>					
Salaries and benefits	10,740	11,240	500	7,751	3,489
Services and supplies	151,958	151,983	25	64,873	87,110
Other charges	89,438	89,137	(301)	31,644	57,493
Capital assets	71,738	145,696	73,958	55,520	90,176
Other financing uses	685,923	643,923	(42,000)	54,074	589,849
Intrafund transfers	(484)	(32,442)	(31,958)	(32,116)	(326)
Contingencies	159,555	159,555	-	-	159,555
Total Non-Departmental Services	1,168,868	1,169,092	224	181,746	987,346
<b>Total General Government</b>	<b>1,453,807</b>	<b>1,453,085</b>	<b>(722)</b>	<b>353,410</b>	<b>1,099,675</b>
<b>Public Protection</b>					
<b>Public Safety Communication</b>					
Salaries and benefits	17,070	17,070	-	16,549	521
Services and supplies	4,949	4,264	(685)	1,737	2,527
Other charges	1,339	1,449	110	1,475	(26)
Capital assets	75	650	575	279	371
Other financing uses	66	66	-	66	-
Intrafund transfers	(564)	(564)	-	(1,490)	926
Contingencies	1,907	1,907	-	-	1,907
Total Public Safety Communication	24,842	24,842	-	18,616	6,226
<b>Agricultural Commissioner</b>					
Salaries and benefits	6,362	6,362	-	5,564	798
Services and supplies	1,422	1,422	-	608	814
Other charges	697	697	-	701	(4)
Other financing uses	9	9	-	658	(649)
Contingencies	547	547	-	-	547
Total Agricultural Commissioner	9,037	9,037	-	7,531	1,506
<b>Grand Jury</b>					
Services and supplies	124	124	-	128	(4)
Total Grand Jury	124	124	-	128	(4)
<b>Message Switch</b>					
Services and supplies	535	535	-	519	16
Other charges	66	66	-	5	61
Capital assets	87	87	-	-	87
Intrafund transfers	(195)	(195)	-	(242)	47
Contingencies	2,424	2,424	-	-	2,424
Total Message Switch	2,917	2,917	-	282	2,635
<b>District Attorney</b>					
Salaries and benefits	39,536	39,536	-	37,903	1,633
Services and supplies	3,996	4,264	268	4,055	209
Other charges	2,588	2,623	35	2,330	293
Capital assets	-	2,257	2,257	229	2,028
Other financing uses	142	142	-	153	(11)
Intrafund transfers	(433)	(433)	-	(428)	(5)
Contingencies	8,126	5,566	(2,560)	-	5,566
Total District Attorney	53,955	53,955	-	44,242	9,713
<b>Child Support Services</b>					
Salaries and benefits	9,400	9,300	(100)	9,048	252
Services and supplies	209	309	100	272	37
Other charges	612	612	-	685	(73)
Other financing uses	196	196	-	174	22
Intrafund transfers	(17)	(17)	-	-	(17)
Total Child Support Services	10,400	10,400	-	10,179	221

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>County Support of Courts</b>					
Services and supplies	1,490	1,490	-	1,428	62
Other charges	17,019	17,019	-	16,218	801
Total County Support of Courts	18,509	18,509	-	17,646	863
<b>Private Defender Program</b>					
Services and supplies	22,983	22,983	-	22,980	3
Other charges	110	110	-	24	86
Other financing uses	37	37	-	37	-
Total Private Defender Program	23,130	23,130	-	23,041	89
<b>Sheriff</b>					
Salaries and benefits	207,890	209,296	1,406	208,954	342
Services and supplies	42,530	59,796	17,266	41,695	18,101
Other charges	26,037	26,036	(1)	23,811	2,225
Capital assets	13,011	13,536	525	12,130	1,406
Other financing uses	14,119	14,119	-	13,205	914
Intrafund transfers	(5,270)	(5,270)	-	(6,933)	1,663
Contingencies	3,246	3,246	-	-	3,246
Total Sheriff	301,563	320,759	19,196	292,862	27,897
<b>Probation</b>					
Salaries and benefits	63,672	63,672	-	46,165	17,507
Services and supplies	7,272	8,272	1,000	6,022	2,250
Other charges	9,406	9,406	-	9,323	83
Capital assets	3,057	2,027	(1,030)	227	1,800
Other financing uses	6,450	7,788	1,338	7,782	6
Intrafund transfers	(133)	(133)	-	(225)	92
Contingencies	44,968	43,660	(1,308)	-	43,660
Total Probation	134,692	134,692	-	69,294	65,398
<b>Coroner's Office</b>					
Salaries and benefits	3,081	3,081	-	2,989	92
Services and supplies	1,680	1,680	-	1,266	414
Other charges	1,079	1,079	-	1,082	(3)
Other financing uses	77	77	-	77	-
Intrafund transfers	(88)	(88)	-	-	(88)
Contingencies	523	523	-	-	523
Total Coroner's Office	6,352	6,352	-	5,414	938
<b>Fire Protection</b>					
Services and supplies	16,637	16,619	(18)	12,865	3,754
Other charges	673	673	-	380	293
Capital assets	5,763	5,763	-	1,215	4,548
Other financing uses	266	283	17	702	(419)
Total Fire Protection	23,339	23,338	(1)	15,162	8,176
<b>Planning</b>					
Salaries and benefits	13,336	13,336	-	11,060	2,276
Services and supplies	7,804	7,750	(54)	4,175	3,575
Other charges	1,224	1,224	-	1,324	(100)
Capital assets	-	54	54	54	-
Other financing uses	51	51	-	51	-
Intrafund transfers	(1,729)	(1,729)	-	(520)	(1,209)
Contingencies	1,296	1,296	-	-	1,296
Total Planning	21,982	21,982	-	16,144	5,838

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Office of Sustainability</b>					
Salaries and benefits	5,658	5,658	-	4,495	1,163
Services and supplies	10,686	10,966	280	3,964	7,002
Other charges	704	716	12	441	275
Other financing uses	20	532	512	475	57
Intrafund transfers	(155)	(155)	-	-	(155)
Contingencies	2,041	2,041	-	-	2,041
Total Office of Sustainability	18,954	19,758	804	9,375	10,383
<b>Department of Emergency Management</b>					
Salaries and benefits	2,127	1,921	(206)	1,738	183
Services and supplies	3,152	3,009	(143)	2,758	251
Other charges	676	1,000	324	1,000	-
Capital assets	-	246	246	170	76
Other financing uses	33	33	-	33	-
Intrafund transfers	150	79	(71)	-	79
Contingencies	271	271	-	-	271
Total Department of Emergency Management	6,409	6,559	150	5,699	860
<b>Total Public Protection</b>	656,205	676,354	20,149	535,615	140,739
<b>Health and Sanitation</b>					
<b>Health Services Administration</b>					
Salaries and benefits	6,011	5,981	(30)	5,819	162
Services and supplies	1,031	1,031	-	758	273
Other charges	465	495	30	493	2
Capital assets	50	50	-	7	43
Other financing uses	2	2	-	2	-
Intrafund transfers	(2,982)	(2,982)	-	(2,940)	(42)
Contingencies	420	420	-	-	420
Total Health Services Administration	4,997	4,997	-	4,139	858
<b>Health Coverage Unit</b>					
Salaries and benefits	4,506	4,506	-	4,055	451
Services and supplies	863	863	-	755	108
Other charges	345	345	-	191	154
Contingencies	433	433	-	-	433
Total Health Coverage Unit	6,147	6,147	-	5,001	1,146
<b>Health Policy Plan Promotion</b>					
Salaries and benefits	36,347	35,897	(450)	31,658	4,239
Services and supplies	17,077	17,077	-	16,082	995
Other charges	4,284	4,734	450	4,483	251
Capital assets	851	851	-	571	280
Other financing uses	78	78	-	64	14
Intrafund transfers	(1,663)	(1,663)	-	(2,304)	641
Contingencies	870	870	-	-	870
Total Health Policy Plan Promotion	57,844	57,844	-	50,554	7,290
<b>Health IT</b>					
Salaries and benefits	31,052	31,052	-	11,870	19,182
Services and supplies	4,900	4,870	(30)	3,491	1,379
Other charges	746	746	-	718	28
Intrafund transfers	-	30	30	3	27
Contingencies	(4,940)	(4,940)	-	(4,563)	(377)
Total Health IT	31,758	31,758	-	11,519	20,239
<b>Emergency Medical Services</b>					
Salaries and benefits	2,776	2,526	(250)	2,003	523
Services and supplies	8,046	8,296	250	8,219	77
Other charges	485	485	-	451	34
Intrafund transfers	-	-	-	(120)	120
Contingencies	490	490	-	-	490
Total Emergency Medical Services	11,797	11,797	-	10,553	1,244

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Contributions to Medical Center</b>					
Services and supplies	44	44	-	44	-
Other financing uses	63,622	63,622	-	44,116	19,506
Total Contributions to Medical Center	63,666	63,666	-	44,160	19,506
<b>Environmental Health Services</b>					
Salaries and benefits	16,994	15,994	(1,000)	15,155	839
Services and supplies	3,214	3,714	500	2,859	855
Other charges	1,834	2,334	500	1,975	359
Other financing uses	5	5	-	5	-
Intrafund transfers	(131)	(1,531)	(1,400)	(1,718)	187
Contingencies	427	427	-	-	427
Total Environmental Health Services	22,343	20,943	(1,400)	18,276	2,667
<b>Behavioral Health Services</b>					
Salaries and benefits	102,498	102,498	-	92,875	9,623
Services and supplies	120,359	120,389	30	98,743	21,646
Other charges	81,924	83,324	1,400	72,558	10,766
Other financing uses	19,432	19,432	-	3,340	16,092
Intrafund transfers	(3,130)	(3,130)	-	(1,567)	(1,563)
Contingencies	5,762	5,762	-	-	5,762
Total Behavioral Health Services	326,845	328,275	1,430	265,949	62,326
<b>Family Health Services</b>					
Salaries and benefits	33,498	31,881	(1,617)	30,731	1,150
Services and supplies	4,966	4,981	15	3,728	1,253
Other charges	2,663	2,664	1	2,296	368
Capital assets	83	171	88	141	30
Other financing uses	1,219	2,747	1,528	1,544	1,203
Intrafund transfers	(2,756)	(2,756)	-	(2,155)	(601)
Contingencies	2,676	2,676	-	-	2,676
Total Family Health Services	42,349	42,364	15	36,285	6,079
<b>Correctional Health Services</b>					
Salaries and benefits	21,121	20,657	(464)	20,657	-
Services and supplies	9,575	10,713	1,138	10,755	(42)
Other charges	1,480	1,725	245	1,705	20
Capital assets	71	41	(30)	41	-
Intrafund transfers	(398)	(398)	-	(376)	(22)
Contingencies	446	446	-	-	446
Total Correctional Health Services	32,295	33,184	889	32,782	402
<b>Total Health and Sanitation</b>					
	600,041	600,975	934	479,218	121,757
<b>Public Assistance</b>					
<b>Aging &amp; Adult Services</b>					
Salaries and benefits	28,022	28,022	-	24,455	3,567
Services and supplies	4,845	5,345	500	5,225	120
Other charges	20,786	20,286	(500)	11,406	8,880
Intrafund transfers	(2,161)	(2,161)	-	(2,322)	161
Contingencies	3,688	3,688	-	-	3,688
Total Aging & Adult Services	55,180	55,180	-	38,764	16,416

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>In Home Support Services - Public Authority</b>					
Other charges	3,702	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	143,285	143,285	-	120,845	22,440
Services and supplies	90,708	90,764	56	56,502	34,262
Other charges	66,214	98,172	31,958	86,877	11,295
Capital assets	770	3,431	2,661	1,669	1,762
Other financing uses	1,592	1,592	-	975	617
Intrafund transfers	(9,550)	(9,550)	-	(3,731)	(5,819)
Contingencies	44,141	27,941	(16,200)	-	27,941
Total Human Services Agency	337,160	355,635	18,475	263,137	92,498
<b>Department of Housing</b>					
Salaries and benefits	5,425	5,425	-	5,117	308
Services and supplies	686	816	130	678	138
Other charges	166,882	166,647	(235)	78,678	87,969
Capital assets	-	104	104	94	10
Intrafund transfers	(10,000)	(10,000)	-	(16,183)	6,183
Total Department of Housing	162,993	162,992	(1)	68,384	94,608
<b>Total Public Assistance</b>	559,035	577,509	18,474	373,987	203,522
<b>Recreation</b>					
<b>Parks &amp; Recreation</b>					
Salaries and benefits	15,297	15,297	-	13,837	1,460
Services and supplies	9,956	9,752	(204)	6,122	3,630
Other charges	2,643	2,769	126	2,747	22
Capital assets	714	714	-	114	600
Other financing uses	514	664	150	643	21
Intrafund transfers	(3,085)	(3,085)	-	(823)	(2,262)
Contingencies	2,575	2,575	-	-	2,575
Total Parks & Recreation	28,614	28,686	72	22,640	6,046
<b>Total Recreation</b>	28,614	28,686	72	22,640	6,046
<b>Contingencies</b>					
Contingencies	77,166	77,166	-	-	77,166
<b>Total Contingencies</b>	77,166	77,166	-	-	77,166
Total charges to appropriations	3,374,868	3,413,775	38,907	1,764,870	1,648,905
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 1,165,820	\$ 1,165,820

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (page 111)	\$ 2,072,500
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	425
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(29,794)
Receipts from programs that are not budgeted	<u>73,101</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 2,116,232</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 117)	\$ 1,764,870
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.	425
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.	274
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(151,553)
Disbursements for programs that are not budgeted	<u>3,799</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 1,617,815</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, 2024**  
**(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 sixteen special revenue funds, the County Executive'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 department, division and fund budget unit level. Budgets 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 Executive 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 certain unbudgeted programs are reported in GAAP reporting basis.





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



## Nonmajor Governmental Funds

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**  
**(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	\$ 168,200	\$ -	\$ 198,949	\$ 367,149
Restricted cash and investments	-	38,844	-	38,844
Receivables (net):				
Accounts	50	-	1,801	1,851
Interest	1,737	252	1,807	3,796
Taxes	793	-	-	793
Due from other funds	4,252	-	36	4,288
Due from other governmental agencies	7,229	-	500	7,729
Prepaid items	160	-	35	195
Inventories	304	-	-	304
Total assets	<u>\$ 182,725</u>	<u>\$ 39,096</u>	<u>\$ 203,128</u>	<u>\$ 424,949</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,549	\$ -	\$ 29,023	\$ 37,572
Accrued salaries and benefits	338	-	-	338
Due to other funds	2,324	36	7	2,367
Unearned revenues	771	-	24	795
Deposits	13	-	-	13
Advances from other funds	5,835	-	-	5,835
Total liabilities	<u>17,830</u>	<u>36</u>	<u>29,054</u>	<u>46,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>3,129</u>	<u>-</u>	<u>500</u>	<u>3,629</u>
Total deferred inflows of resources	<u>3,129</u>	<u>-</u>	<u>500</u>	<u>3,629</u>
<b>FUND BALANCES</b>				
Nonspendable	464	-	35	499
Restricted	158,093	39,060	-	197,153
Assigned	3,209	-	173,539	176,748
Total fund balances	<u>161,766</u>	<u>39,060</u>	<u>173,574</u>	<u>374,400</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 182,725</u>	<u>\$ 39,096</u>	<u>\$ 203,128</u>	<u>\$ 424,949</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, 2024**  
**(In Thousands)**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 23,467	\$ -	\$ 12,801	\$ 36,268
Licenses and permits	3,635	-	-	3,635
Intergovernmental	67,506	-	14,100	81,606
Charges for services	33,357	-	15,229	48,586
Fines, forfeitures and penalties	875	-	-	875
Rents and concessions	82	-	-	82
Investment income	8,957	1,413	10,996	21,366
Other	760	-	2,018	2,778
Total revenues	138,639	1,413	55,144	195,196
<b>Expenditures:</b>				
Current:				
General government	1,107	-	-	1,107
Public protection	4,908	-	-	4,908
Public ways and facilities	27,460	-	-	27,460
Health and sanitation	29,616	-	-	29,616
Public assistance	34,484	-	-	34,484
Capital outlay	5,542	-	116,646	122,188
Debt service:				
Principal	160	-	-	160
Interest	55	-	-	55
Total expenditures	103,332	-	116,646	219,978
Excess (deficiency) of revenues over (under) expenditures	35,307	1,413	(61,502)	(24,782)
<b>Other financing sources (uses):</b>				
Transfers in	5,574	52,311	50,383	108,268
Transfers out	(16,350)	(45,580)	(16,273)	(78,203)
Total other financing sources (uses)	(10,776)	6,731	34,110	30,065
<b>Net change in fund balances</b>	24,531	8,144	(27,392)	5,283
Fund balances - beginning	137,235	30,916	200,966	369,117
Fund balances - end	\$ 161,766	\$ 39,060	\$ 173,574	\$ 374,400

## 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.

*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, 2024**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
<b>ASSETS</b>						
Cash and investments	\$ 37,945	\$ 876	\$ 19,954	\$ 42,449	\$ 25,293	\$ 2,072
Receivables (net):						
Accounts	-	-	35	4	-	11
Interest	359	135	195	404	249	21
Taxes	-	357	297	58	64	-
Due from other funds	3,669	418	6	145	14	-
Due from other governmental agencies	4,114	-	5	341	487	-
Loan receivable						
Prepaid items	38	-	62	46	-	-
Inventories	304	-	-	-	-	-
Total assets	<u>\$ 46,429</u>	<u>\$ 1,786</u>	<u>\$ 20,554</u>	<u>\$ 43,447</u>	<u>\$ 26,107</u>	<u>\$ 2,104</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,100	\$ -	\$ 503	\$ 6,531	\$ 91	\$ -
Accrued salaries and benefits	229	-	1	25	-	-
Due to other funds	6	-	-	3	1	47
Unearned revenues	-	341	285	56	61	11
Deposits	9	-	4	-	-	-
Advances from other funds	182	-	55	5,513	85	-
Total liabilities	<u>1,526</u>	<u>341</u>	<u>848</u>	<u>12,128</u>	<u>238</u>	<u>58</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	6	10	342	489	-
Total deferred inflows of resources	<u>-</u>	<u>6</u>	<u>10</u>	<u>342</u>	<u>489</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	342	-	62	46	-	-
Restricted	41,352	1,439	19,634	30,931	25,380	2,046
Assigned	3,209	-	-	-	-	-
Total fund balances	<u>44,903</u>	<u>1,439</u>	<u>19,696</u>	<u>30,977</u>	<u>25,380</u>	<u>2,046</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,429</u>	<u>\$ 1,786</u>	<u>\$ 20,554</u>	<u>\$ 43,447</u>	<u>\$ 26,107</u>	<u>\$ 2,104</u>

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2024**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 23,588	\$ 5,176	\$ 4,167	\$ 3,688	\$ 2,992	\$ 168,200	<b>ASSETS</b>
-	-	-	-	-	50	Cash and investments
228	50	44	23	29	1,737	Receivables (net):
-	-	-	-	17	793	Accounts
-	-	-	-	-	4,252	Interest
-	-	-	2,216	66	7,229	Taxes
						Due from other funds
						Due from other governmental agencies
11	-	3	-	-	160	Prepaid items
-	-	-	-	-	304	Inventories
<u>\$ 23,827</u>	<u>\$ 5,226</u>	<u>\$ 4,214</u>	<u>\$ 5,927</u>	<u>\$ 3,104</u>	<u>\$ 182,725</u>	Total assets
						<b>LIABILITIES</b>
\$ 29	\$ -	\$ 281	\$ 14	\$ -	\$ 8,549	Accounts payable
-	-	39	44	-	338	Accrued salaries and benefits
1,324	941	1	1	-	2,324	Due to other funds
-	-	-	-	17	771	Unearned revenues
-	-	-	-	-	13	Deposits
-	-	-	-	-	5,835	Advances from other funds
<u>1,353</u>	<u>941</u>	<u>321</u>	<u>59</u>	<u>17</u>	<u>17,830</u>	Total liabilities
						<b>DEFERRED INFLOWS OF RESOURCES</b>
-	-	-	2,216	66	3,129	Unavailable revenue
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,216</u>	<u>66</u>	<u>3,129</u>	Total deferred inflows of resources
						<b>FUND BALANCES</b>
11	-	3	-	-	464	Nonspendable
22,463	4,285	3,890	3,652	3,021	158,093	Restricted
-	-	-	-	-	3,209	Assigned
<u>22,474</u>	<u>4,285</u>	<u>3,893</u>	<u>3,652</u>	<u>3,021</u>	<u>161,766</u>	Total fund balances
<u>\$ 23,827</u>	<u>\$ 5,226</u>	<u>\$ 4,214</u>	<u>\$ 5,927</u>	<u>\$ 3,104</u>	<u>\$ 182,725</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, 2024**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
<b>Revenues</b>						
Taxes	\$ 218	\$ 7,379	\$ 6,101	\$ 1,879	\$ 2,308	\$ -
Licenses and permits	667	-	173	-	-	-
Intergovernmental	31,475	2,932	35	3	4	-
Charges for services	4,384	86	2,084	24,954	165	-
Fines, forfeitures and penalties	-	-	-	-	-	875
Rents and concessions	43	39	-	-	-	-
Investment income	1,987	423	1,037	2,102	1,328	143
Other	172	12	1	-	6	5
Total revenues	<u>38,946</u>	<u>10,871</u>	<u>9,431</u>	<u>28,938</u>	<u>3,811</u>	<u>1,023</u>
<b>Expenditures</b>						
Current:						
General government	-	-	276	-	830	-
Public protection	-	-	4,898	-	-	-
Public ways and facilities	26,895	-	-	-	-	-
Health and sanitation	-	-	1,858	21,357	-	1,209
Public assistance	-	-	-	-	-	-
Capital outlay	3,922	-	14	1,606	-	-
Debt service:						
Principal	-	-	-	160	-	-
Interest	-	-	-	55	-	-
Total expenditures	<u>30,817</u>	<u>-</u>	<u>7,046</u>	<u>23,178</u>	<u>830</u>	<u>1,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,129</u>	<u>10,871</u>	<u>2,385</u>	<u>5,760</u>	<u>2,981</u>	<u>(186)</u>
<b>Other financing sources (uses)</b>						
Transfers in	1,689	-	-	-	-	-
Transfers out	(39)	(13,527)	(9)	(2)	-	-
Total other financing sources (uses)	<u>1,650</u>	<u>(13,527)</u>	<u>(9)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>9,779</u>	<u>(2,656)</u>	<u>2,376</u>	<u>5,758</u>	<u>2,981</u>	<u>(186)</u>
Fund balances - beginning	<u>35,124</u>	<u>4,095</u>	<u>17,320</u>	<u>25,219</u>	<u>22,399</u>	<u>2,232</u>
Fund balances - end	<u>\$ 44,903</u>	<u>\$ 1,439</u>	<u>\$ 19,696</u>	<u>\$ 30,977</u>	<u>\$ 25,380</u>	<u>\$ 2,046</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, 2024**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 5,093	\$ -	\$ -	\$ -	\$ 489	\$ 23,467	<b>Revenues</b>
-	-	2,795	-	-	3,635	Taxes
-	-	240	32,816	1	67,506	Licenses and permits
-	399	448	830	7	33,357	Intergovernmental
-	-	-	-	-	875	Charges for services
-	-	-	-	-	82	Fines, forfeitures and penalties
1,104	268	311	77	177	8,957	Rents and concessions
-	-	148	416	-	760	Investment income
<u>6,197</u>	<u>667</u>	<u>3,942</u>	<u>34,139</u>	<u>674</u>	<u>138,639</u>	Other
						Total revenues
						<b>Expenditures</b>
						Current:
-	-	-	-	1	1,107	General government
-	-	-	-	10	4,908	Public protection
416	-	-	-	149	27,460	Public ways and facilities
-	-	5,168	-	24	29,616	Health and sanitation
-	-	-	34,101	383	34,484	Public assistance
-	-	-	-	-	5,542	Capital outlay
						Debt service:
-	-	-	-	-	160	Principal
-	-	-	-	-	55	Interest
<u>416</u>	<u>-</u>	<u>5,168</u>	<u>34,101</u>	<u>567</u>	<u>103,332</u>	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
<u>5,781</u>	<u>667</u>	<u>(1,226)</u>	<u>38</u>	<u>107</u>	<u>35,307</u>	
						<b>Other financing sources (uses)</b>
-	-	183	3,702	-	5,574	Transfers in
<u>(1,522)</u>	<u>(938)</u>	<u>(313)</u>	<u>-</u>	<u>-</u>	<u>(16,350)</u>	Transfers out
<u>(1,522)</u>	<u>(938)</u>	<u>(130)</u>	<u>3,702</u>	<u>-</u>	<u>(10,776)</u>	Total other financing sources (uses)
						<b>Net change in fund balances</b>
4,259	(271)	(1,356)	3,740	107	24,531	
<u>18,215</u>	<u>4,556</u>	<u>5,249</u>	<u>(88)</u>	<u>2,914</u>	<u>137,235</u>	Fund balances - beginning
<u>\$ 22,474</u>	<u>\$ 4,285</u>	<u>\$ 3,893</u>	<u>\$ 3,652</u>	<u>\$ 3,021</u>	<u>\$ 161,766</u>	Fund balances - end

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 32,846	\$ 32,846	\$ -	\$ 35,124	\$ 2,278
<b>Resources (inflows):</b>					
Taxes	230	230	-	218	(12)
Licenses and permits	650	650	-	667	17
Use of money and property	96	96	-	2,030	1,934
Intergovernmental revenues	43,323	43,323	-	31,475	(11,848)
Charges for services	108	108	-	4,384	4,276
Interfund revenue	3,167	3,167	-	-	(3,167)
Miscellaneous revenues	53	53	-	172	119
Other financing sources	4,554	4,554	-	1,689	(2,865)
Amounts available for appropriation	52,181	52,181	-	40,635	(11,546)
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Salaries and benefits	13,496	13,496	-	12,080	1,416
Services and supplies	36,008	36,008	-	13,148	22,860
Other charges	2,505	2,505	-	1,722	783
Capital assets	14,860	14,860	-	3,867	10,993
Other financing uses	30	30	-	39	(9)
Contingencies	18,128	18,128	-	-	18,128
Total charges to appropriations	85,027	85,027	-	30,856	54,171
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 44,903	\$ 44,903

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 40,635
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(1,689)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 38,946

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 30,856
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(39)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 30,817

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Fire Protection Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>\$ 4,177</u>	<u>\$ 4,177</u>	<u>\$ -</u>	<u>\$ 4,095</u>	<u>\$ (82)</u>
<b>Resources (inflows):</b>					
Taxes	10,597	10,597	-	7,379	(3,218)
Use of money and property	162	162	-	462	300
Intergovernmental revenues	2,954	2,954	-	2,932	(22)
Charges for services	306	306	-	86	(220)
Miscellaneous revenues	455	455	-	12	(443)
Other financing sources	253	253	-	-	(253)
Amounts available for appropriation	<u>14,727</u>	<u>14,727</u>	<u>-</u>	<u>10,871</u>	<u>(3,856)</u>
<b>Charges to appropriations (outflows):</b>					
Public protection					
Other financing uses	17,583	17,583	-	13,527	4,056
Non-general fund reserves	<u>1,321</u>	<u>1,321</u>	<u>-</u>	<u>-</u>	<u>1,321</u>
Total charges to appropriations	<u>18,904</u>	<u>18,904</u>	<u>-</u>	<u>13,527</u>	<u>5,377</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,439</u></u>	<u><u>\$ 1,439</u></u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,527
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(13,527)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u><u>\$ -</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Service Area Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>\$ 18,312</u>	<u>\$ 18,384</u>	<u>\$ 72</u>	<u>\$ 17,320</u>	<u>\$ (1,064)</u>
<b>Resources (inflows):</b>					
Taxes	5,690	5,690	-	6,101	411
Licenses and permits	173	173	-	173	-
Use of money and property	149	149	-	1,037	888
Intergovernmental revenues	16	16	-	35	19
Charges for services	2,075	2,075	-	2,084	9
Miscellaneous revenues	48	48	-	1	(47)
Amounts available for appropriation	<u>8,151</u>	<u>8,151</u>	<u>-</u>	<u>9,431</u>	<u>1,280</u>
<b>Charges to appropriations (outflows):</b>					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	182	130	(52)	56	74
Services and supplies	9,076	9,128	52	6,950	2,178
Other charges	92	164	72	27	137
Capital assets	1,225	1,225	-	13	1,212
Contingencies	41	41	-	-	41
Non-general fund reserves	1,333	1,333	-	-	1,333
Other financing uses	<u>14,514</u>	<u>14,514</u>	<u>-</u>	<u>9</u>	<u>14,505</u>
Total charges to appropriations	<u>26,463</u>	<u>26,535</u>	<u>72</u>	<u>7,055</u>	<u>19,480</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,696</u>	<u>\$ 19,696</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,055
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(9)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 7,046</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Sewer and Sanitation Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>\$ 32,523</u>	<u>\$ 33,588</u>	<u>\$ 1,065</u>	<u>\$ 25,219</u>	<u>\$ (8,369)</u>
<b>Resources (inflows):</b>					
Taxes	1,067	1,067	-	1,879	812
Use of money and property	354	354	-	2,102	1,748
Intergovernmental revenues	3	3	-	3	-
Charges for services	19,580	19,580	-	24,954	5,374
Interfund revenue	4,020	4,020	-	-	(4,020)
Miscellaneous revenues	-	-	-	-	-
Other financing sources	114	114	-	-	(114)
Amounts available for appropriation	<u>25,138</u>	<u>25,138</u>	<u>-</u>	<u>28,938</u>	<u>3,800</u>
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	1,577	1,577	-	1,449	128
Services and supplies	22,296	22,296	-	16,974	5,322
Other charges	2,757	3,822	1,065	3,190	632
Capital assets	11,197	11,197	-	1,606	9,591
Other financing uses	117	117	-	2	115
Intrafund transfers			-	(41)	41
Contingencies	19,502	19,502	-	-	19,502
Non-general fund reserves	215	215	-	-	215
Total charges to appropriations	<u>57,661</u>	<u>58,726</u>	<u>1,065</u>	<u>23,180</u>	<u>35,546</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,977</u>	<u>\$ 30,977</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 23,180
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(2)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 23,178</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Lighting Districts Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 23,140	\$ 23,180	\$ 40	\$ 22,399	\$ (781)
<b>Resources (inflows):</b>					
Taxes	1,216	1,216	-	2,308	1,092
Use of money and property	220	220	-	1,328	1,108
Intergovernmental revenues	3	3	-	4	1
Interfund revenue	254	254	-	-	(254)
Charges for services	-	-	-	165	165
Miscellaneous revenues	-	-	-	6	6
Amounts available for appropriation	1,693	1,693	-	3,811	2,118
<b>Charges to appropriations (outflows):</b>					
General government					
Services and supplies	1,597	1,597	-	804	793
Other charges	25	65	40	26	39
Contingencies	23,211	23,211	-	-	23,211
Total charges to appropriations	24,833	24,873	40	830	24,043
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 25,380	\$ 25,380

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Emergency Medical Services Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 2,482	\$ 2,482	\$ -	\$ 2,232	\$ (250)
<b>Resources (inflows):</b>					
Fines, forfeitures and penalties	1,455	1,455	-	875	(580)
Use of money and property	28	28	-	143	115
Miscellaneous revenues	27	27	-	5	(22)
Amounts available for appropriation	1,510	1,510	-	1,023	(487)
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Services and supplies	2,806	2,806	-	1,209	1,597
Non-general fund reserves	1,186	1,186	-	-	1,186
Total charges to appropriations	3,992	3,992	-	1,209	2,783
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 2,046	\$ 2,046

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Half-Cent Transportation Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>\$ 13,778</u>	<u>\$ 13,778</u>	<u>\$ -</u>	<u>\$ 18,215</u>	<u>\$ 4,437</u>
<b>Resources (inflows):</b>					
Taxes	3,409	3,409	-	5,093	1,684
Use of money and property	<u>50</u>	<u>50</u>	<u>-</u>	<u>1,104</u>	<u>1,054</u>
Amounts available for appropriation	<u>3,459</u>	<u>3,459</u>	<u>-</u>	<u>6,197</u>	<u>2,738</u>
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Services and supplies	15,044	15,044	-	168	14,876
Other charges	178	178	-	248	(70)
Other financing uses	2,015	2,015	-	1,522	493
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>17,237</u>	<u>17,237</u>	<u>-</u>	<u>1,938</u>	<u>15,299</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,474</u>	<u>\$ 22,474</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,938
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(1,522)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 416</u>



**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County-Wide Road Improvement Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 4,688	\$ 4,688	\$ -	\$ 4,556	\$ (132)
<b>Resources (inflows):</b>					
Use of money and property	25	25	-	268	243
Charges for services	475	475	-	399	(76)
Amounts available for appropriation	500	500	-	667	167
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Other financing uses	200	200	-	938	(738)
Non-general fund reserves	4,988	4,988	-	-	4,988
Total charges to appropriations	5,188	5,188	-	938	4,250
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 4,285	\$ 4,285

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 938
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(938)
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, 2024**  
**(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>	\$ 3,925	\$ 3,925	\$ -	\$ 5,249	\$ 1,324
<b>Resources (inflows):</b>					
Licenses and permits	2,935	2,935	-	2,795	(140)
Use of money and property	88	88	-	311	223
Intergovernmental revenues	387	387	-	240	(147)
Charges for services	683	683	-	448	(235)
Miscellaneous revenues	5	5	-	148	143
Other financing sources	400	400	-	183	(217)
Amounts available for appropriation	4,498	4,498	-	4,125	(373)
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	2,202	2,322	120	2,285	37
Services and supplies	2,305	3,001	696	2,632	369
Other charges	197	277	80	251	26
Other financing uses	386	386	-	313	73
Intrafund transfers	41	41	-		41
Non-general fund reserves	3,292	2,396	(896)	-	2,396
Total charges to appropriations	8,423	8,423	-	5,481	2,942
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 3,893	\$ 3,893

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 4,125
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(183)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 3,942

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,481
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(313)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 5,168

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**In-Home Supportive Services Public Authority Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 1,875	\$ 1,875	\$ -	\$ (88)	\$ (1,963)
<b>Resources (inflows):</b>					
Use of money and property	47	47	-	77	30
Intergovernmental revenues	29,722	30,522	800	32,816	2,294
Charges for services	-	-	-	830	830
Interfund revenue	4,557	4,557	-	-	(4,557)
Miscellaneous revenues	403	403	-	416	13
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	34,729	35,529	800	37,841	2,312
<b>Charges to appropriations (outflows):</b>					
Public assistance					
Salaries and benefits	2,282	2,282	-	2,257	25
Services and supplies	7,688	8,488	800	8,122	366
Other charges	24,758	24,758	-	23,722	1,036
Non-general fund reserves	1,876	1,876	-	-	1,876
Total charges to appropriations	36,604	37,404	800	34,101	3,303
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 3,652	\$ 3,652

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 37,841
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(3,702)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 34,139

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b><u>Highlands Landscape &amp; Drainage Maintenance District</u></b>					
<b>Budgetary fund balance, July 1</b>	\$ 1,291	\$ 1,291	\$ -	\$ 848	\$ (443)
Resources (inflows):					
Taxes	58	58	-	-	(58)
Use of money and property	13	13	-	177	164
Charges for services	6	6	-	7	1
Intergovernmental	-	-	-	1	1
Amounts available for appropriation	77	77	-	185	108
Charges to appropriations (outflows):					
General Government					
Services and supplies	96	96	-	408	(312)
Contingencies	1,035	1,035	-	-	1,035
Non-general fund reserves	237	237	-	-	237
Total charges to appropriations	1,368	1,368	-	408	960
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 625	\$ 625
<b><u>Los Trancos County Maintenance Fund</u></b>					
<b>Budgetary fund balance, July 1</b>	\$ 1,212	\$ 1,212	\$ -	\$ 1,086	\$ (126)
Resources (inflows):					
Taxes	205	205	-	489	284
Use of money and property	5	5	-	-	(5)
Intergovernmental	1	1	-	-	(1)
Amounts available for appropriation	211	211	-	489	278
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	505	505	-	149	356
Other Charges	9	9	-	-	9
Non-general fund reserves	909	909	-	-	909
Total charges to appropriations	1,423	1,423	-	149	1,274
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 1,426	\$ 1,426
<b><u>Fish and Game Fund</u></b>					
<b>Budgetary fund balance, July 1</b>	\$ 67	\$ 67	\$ -	\$ 62	\$ (5)
Resources (inflows):					
Fines, forfeitures & penalties	2	2	-	-	(2)
Use of money and property	1	1	-	-	(1)
Amounts available for appropriation	3	3	-	-	(3)
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	12	12	-	10	2
Non-general fund reserves	58	58	-	-	58
Total charges to appropriations	70	70	-	10	60
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 52	\$ 52

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b><u>Total - Other Special Revenue Funds</u></b>					
Budgetary fund balance, July 1	\$ 2,570	\$ 2,570	\$ -	\$ 1,996	\$ (574)
Resources (inflows)	291	291	-	674	383
Charges to appropriations (outflows)	<u>2,861</u>	<u>2,861</u>	<u>-</u>	<u>567</u>	<u>2,294</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103</u>	<u>\$ 2,103</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, 2024**  
**(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>	\$ 25,162	\$ 25,162	\$ -	\$ 30,916	\$ 5,754
<b>Resources (inflows):</b>					
Use of money and property	-	-	-	1,413	1,413
Other financing sources	45,522	45,522	-	52,311	6,789
Amount available for appropriation	<u>45,522</u>	<u>45,522</u>	<u>-</u>	<u>53,724</u>	<u>8,202</u>
<b>Charges to appropriations (outflows):</b>					
Other charges	45,076	45,076	-	44,131	945
Other financing uses	9,481	9,481	-	1,449	8,032
Non-general fund reserves	16,127	16,127	-	-	16,127
Total charges to appropriations	<u>70,684</u>	<u>70,684</u>	<u>-</u>	<u>45,580</u>	<u>25,104</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,060</u>	<u>\$ 39,060</u>

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 53,724
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(52,311)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 1,413</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 45,580
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(45,580)</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.

*County One-Time Expense Fund* – accounts for appropriations for County capital improvement projects. Ordinance No. 4821 amended sections 2.80.060 through 2.80.110 to provide other uses of the fund and renamed the Accumulated Capital Outlay Fund, known as the ACO Fund as the “County One-Time Expense Fund”. All revenues from sources designated to the fund of the County and any unencumbered surplus from other sources transferred to such fund shall be subject to the restrictions of appropriation and expenditures as provided in the Ordinance.

*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 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, 2024**  
**(In Thousands)**

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>ASSETS</b>					
Cash and investments	\$ 94,091	\$ 4,160	\$ 170	\$ 100,528	\$ 198,949
Accounts receivable	-	12	12	1,777	1,801
Interest receivable	929	40	1	837	1,807
Due from other funds	-	-	-	36	36
Due from other governmental agencies	-	-	-	500	500
Prepaid items	-	-	-	35	35
Total assets	<u>\$ 95,020</u>	<u>\$ 4,212</u>	<u>\$ 183</u>	<u>\$ 103,713</u>	<u>\$ 203,128</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 29,023	\$ 29,023
Due to other funds	-	-	-	7	7
Unearned revenues	-	12	12	-	24
Total liabilities	<u>-</u>	<u>12</u>	<u>12</u>	<u>29,030</u>	<u>29,054</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	500	500
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	35	35
Assigned	95,020	4,200	171	74,148	173,539
Total fund balances	<u>95,020</u>	<u>4,200</u>	<u>171</u>	<u>74,183</u>	<u>173,574</u>
Total liabilities, and fund balances	<u>\$ 95,020</u>	<u>\$ 4,212</u>	<u>\$ 183</u>	<u>\$ 103,713</u>	<u>\$ 203,128</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, 2024**  
**(In Thousands)**

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 12,801	\$ 12,801
Intergovernmental	-	-	-	14,100	14,100
Charges for services	-	574	1,313	13,342	15,229
Investment income/(loss)	5,264	205	(5)	5,532	10,996
Other	-	-	-	2,018	2,018
<b>Total revenues</b>	<u>5,264</u>	<u>779</u>	<u>1,308</u>	<u>47,793</u>	<u>55,144</u>
<b>Expenditures:</b>					
Capital outlay	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>115,646</u>	<u>116,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,264</u>	<u>779</u>	<u>1,308</u>	<u>(67,853)</u>	<u>(61,502)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	50,383	50,383
Transfers out	-	-	(1,139)	(15,134)	(16,273)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,139)</u>	<u>35,249</u>	<u>34,110</u>
<b>Net change in fund balances</b>	4,264	779	169	(32,604)	(27,392)
Fund balances - beginning	<u>90,756</u>	<u>3,421</u>	<u>2</u>	<u>106,787</u>	<u>200,966</u>
Fund balances - end	<u>\$ 95,020</u>	<u>\$ 4,200</u>	<u>\$ 171</u>	<u>\$ 74,183</u>	<u>\$ 173,574</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County One-Time Expense Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 93,414	\$ 93,414	\$ -	\$ 90,756	\$ (2,658)
<b>Resources (inflows):</b>					
Use of money and property	1,000	1,000	-	5,264	4,264
<b>Charges to appropriations (outflows):</b>					
Services and supplies	-	1,000	1,000	1,000	-
Other financing uses	45,990	44,990	(1,000)	-	44,990
Non-general fund reserves	48,424	48,424	-	-	48,424
Total charges to appropriations	94,414	94,414	-	1,000	93,414
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 95,020	\$ 95,020

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Criminal Facility Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>\$ 3,521</u>	<u>\$ 3,521</u>	<u>\$ -</u>	<u>\$ 3,421</u>	<u>\$ (100)</u>
<b>Resources (inflows):</b>					
Use of money and property	18	18	-	205	187
Charges for services	<u>750</u>	<u>750</u>	<u>-</u>	<u>574</u>	<u>(176)</u>
Amounts available for appropriation	<u>768</u>	<u>768</u>	<u>-</u>	<u>779</u>	<u>11</u>
<b>Charges to appropriations (outflows):</b>					
Services and supplies	-	-	-	-	-
Other financing uses	768	768	-	-	768
Non-general fund reserves	<u>3,521</u>	<u>3,521</u>	<u>-</u>	<u>-</u>	<u>3,521</u>
Total charges to appropriations	<u>4,289</u>	<u>4,289</u>	<u>-</u>	<u>-</u>	<u>4,289</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,200</u></u>	<u><u>\$ 4,200</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Courthouse Construction Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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	\$ 2	\$ -	\$ 2	\$ -
<b>Resources (inflows):</b>					
Charges for services	625	625	-	1,313	688
Interfund revenue	739	739	-	-	(739)
Use of money and property	-	-	-	(5)	(5)
Amounts available for appropriation	1,364	1,364	-	1,308	(56)
<b>Charges to appropriations (outflows):</b>					
Other financing uses	1,314	1,314	-	1,139	175
Contingencies	52	52	-	-	52
Total charges to appropriations	1,366	1,366	-	1,139	227
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 171	\$ 171

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,139
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(1,139)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ -

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2024**  
**(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>	\$ 34,573	\$ 34,573	\$ -	\$ 106,787	\$ 72,214
<b>Resources (inflows):</b>					
Taxes	47,615	47,615	-	12,801	(34,814)
Use of money and property	10	10	-	5,532	5,522
Intergovernmental revenues	16,509	18,759	2,250	14,100	(4,659)
Charges for services	-	-	-	13,342	13,342
Interfund revenues	3,835	3,835	-	-	(3,835)
Miscellaneous revenues	6,495	7,495	1,000	2,018	(5,477)
Other financing sources	137,631	139,495	1,864	50,383	(89,112)
Amounts available for appropriation	<u>212,095</u>	<u>217,209</u>	<u>5,114</u>	<u>98,176</u>	<u>(119,033)</u>
<b>Charges to appropriations (outflows):</b>					
Salaries and benefits	-	-	-	-	-
Services and supplies	17,794	17,794	-	6,542	11,252
Other charges	364	364	-	193	171
Capital assets	179,019	175,265	(3,754)	108,911	66,354
Contingencies	11,299	11,299	-	-	11,299
Other financing uses	36,766	45,634	8,868	15,134	30,500
Non-general fund reserves	1,426	1,426	-	-	1,426
Total charges to appropriations	<u>246,668</u>	<u>251,782</u>	<u>5,114</u>	<u>130,780</u>	<u>121,002</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,183</u>	<u>\$ 74,183</u>

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 98,176
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(50,383)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 47,793</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 130,780
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(15,134)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 115,646</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, 2024**  
**(In Thousands)**

	Airports	Coyote Point Marina	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 6,040	\$ 964	\$ 7,004
Receivables (net):			
Accounts	46	22	68
Interest	61	9	70
Lease receivable	166	-	166
Due from other funds	21	-	21
Prepaid items	69	2	71
Total current assets	6,403	997	7,400
Noncurrent assets:			
Capital assets:			
Nondepreciable	7,654	1,334	8,988
Depreciable, net	31,123	6,335	37,458
Total noncurrent assets	38,777	7,669	46,446
Total assets	45,180	8,666	53,846
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related items	716	250	966
OPEB-related items	192	52	244
Total deferred outflows of resources	908	302	1,210
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	498	24	522
Accrued interest payable	-	80	80
Accrued salaries and benefits	35	15	50
Due to other funds	1	-	1
Unearned revenues	32	-	32
Deposits	1	-	1
Notes payable - current	-	86	86
Compensated absences - current	111	20	131
Total current liabilities	678	225	903
Noncurrent liabilities:			
Net pension liability - noncurrent	1,157	407	1,564
Net OPEB liability - noncurrent	133	42	175
Notes payable - noncurrent	-	1,781	1,781
Compensated absences - noncurrent	83	49	132
Total noncurrent liabilities	1,373	2,279	3,652
Total liabilities	2,051	2,504	4,555
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	1	-	1
OPEB related	92	26	118
Lease related	159	-	159
Total deferred inflows of resources	252	26	278
<b>NET POSITION</b>			
Net investment in capital assets	38,777	5,802	44,579
Unrestricted	5,008	636	5,644
Total net position	\$ 43,785	\$ 6,438	\$ 50,223

**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, 2024**  
**(In Thousands)**

	Airports	Coyote Point Marina	Total
<b>Operating revenues:</b>			
Charges for services	\$ 203	\$ 1,507	\$ 1,710
Rent and concessions	3,828	-	3,828
Miscellaneous	284	32	316
Total operating revenues	4,315	1,539	5,854
<b>Operating expenses:</b>			
Salaries and benefits	1,566	544	2,110
Pension expense	456	132	588
OPEB expense	52	13	65
General and administrative	2,753	612	3,365
Depreciation	696	314	1,010
Total operating expenses	5,523	1,615	7,138
Operating loss	(1,208)	(76)	(1,284)
<b>Nonoperating revenues (expenses):</b>			
State and federal grants	9,265	-	9,265
Investment income	365	46	411
Interest expense	-	(88)	(88)
Total nonoperating revenues (expenses)	9,630	(42)	9,588
Income before transfers	8,422	(118)	8,304
<b>Change in net position</b>	8,422	(118)	8,304
Net position - beginning	35,363	6,556	41,919
Net position - end	\$ 43,785	\$ 6,438	\$ 50,223

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash receipts from customers	\$ 4,146	\$ 1,532	\$ 5,678
Cash paid to suppliers of goods and services	(2,446)	(608)	(3,054)
Cash paid to employees for services	(1,640)	(607)	(2,247)
Net cash provided by operating activities	<u>60</u>	<u>317</u>	<u>377</u>
<b>Cash flows from noncapital financing activities</b>			
State and federal grants receipts	<u>9,265</u>	<u>-</u>	<u>9,265</u>
Net cash provided by noncapital financing activities	<u>9,265</u>	<u>-</u>	<u>9,265</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(10,271)	(8)	(10,279)
Principal paid on long-term debt	-	(82)	(82)
Interest paid on long-term debt	-	(92)	(92)
Cash received on lease receivables	-	-	-
Cash received for interest on lease receivables	-	-	-
Net cash (used in) capital and related financing activities	<u>(10,271)</u>	<u>(182)</u>	<u>(10,453)</u>
<b>Cash flows from investing activities</b>			
Investment income received	<u>387</u>	<u>43</u>	<u>430</u>
Net cash provided by investing activities	<u>387</u>	<u>43</u>	<u>430</u>
Net change in cash and cash equivalents	(559)	178	(381)
Cash and cash equivalents, beginning	<u>6,599</u>	<u>786</u>	<u>7,385</u>
Cash and cash equivalents, end	<u>\$ 6,040</u>	<u>\$ 964</u>	<u>\$ 7,004</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
<b>Operating loss</b>	\$ (1,208)	\$ (76)	\$ (1,284)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	696	314	1,010
Decrease (increase) in:			
Accounts receivable	9	-	9
Lease receivable	(156)	-	(156)
Due from other funds	(21)	-	(21)
Other assets	(65)	-	(65)
Increase (decrease) in:			
Accounts payable	372	4	376
Accrued salaries and benefits	5	5	10
Due to other funds	(9)	(7)	(16)
Unearned revenues	8	-	8
Net pension liability	260	79	339
Net OPEB liability	(36)	(11)	(47)
Compensated absences	83	11	94
Deferred inflows of resources	122	(2)	120
Net cash provided by operating activities	<u>\$ 60</u>	<u>\$ 317</u>	<u>\$ 377</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, 2024**  
**(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	\$ 22,410	\$ 250	\$ 23,984	\$ 606	\$ 4,280	\$ 24,539	\$ 76,069
Receivables (net):							
Accounts	9	62	236	-	-	819	1,126
Interest	205	-	249	10	83	220	767
Due from other funds	71	73	-	2	2	-	148
Due from other governmental agencies	-	-	-	-	-	3,007	3,007
Inventories	113	-	-	-	-	-	113
Prepaid items	6	5	1,446	-	8,767	-	10,224
Total current assets	<u>22,814</u>	<u>390</u>	<u>25,915</u>	<u>618</u>	<u>13,132</u>	<u>28,585</u>	<u>91,454</u>
Noncurrent assets:							
Capital assets:							
Depreciable, net	8,516	-	-	-	-	-	8,516
Total noncurrent assets	<u>8,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,516</u>
Total assets	<u>31,330</u>	<u>390</u>	<u>25,915</u>	<u>618</u>	<u>13,132</u>	<u>28,585</u>	<u>99,970</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension-related items	715	597	-	-	-	-	1,312
OPEB-related items	228	175	-	-	-	-	403
Total deferred outflows of resources	<u>943</u>	<u>772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,715</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	240	10	151	-	649	192	1,242
Accrued interest payable	-	3	-	-	-	-	3
Accrued salaries and benefits	35	24	-	1	-	-	60
Due to other funds	53	310	-	-	-	173	536
Compensated absences - current	69	42	-	-	-	-	111
Estimated claims - current	-	-	20,132	50	6,303	1,315	27,800
Total current liabilities	<u>397</u>	<u>389</u>	<u>20,283</u>	<u>51</u>	<u>6,952</u>	<u>1,680</u>	<u>29,752</u>
Noncurrent liabilities:							
Advances from other funds	-	544	-	-	-	-	544
Net pension liability - noncurrent	1,245	1,101	-	-	-	-	2,346
Net OPEB liability - noncurrent	183	141	-	-	-	-	324
Compensated absences - noncurrent	51	51	-	-	-	-	102
Estimated claims - noncurrent	-	-	30,269	96	5,282	-	35,647
Total noncurrent liabilities	<u>1,479</u>	<u>1,837</u>	<u>30,269</u>	<u>96</u>	<u>5,282</u>	<u>-</u>	<u>38,963</u>
Total liabilities	<u>1,876</u>	<u>2,226</u>	<u>50,552</u>	<u>147</u>	<u>12,234</u>	<u>1,680</u>	<u>68,715</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension-related items	1	-	-	-	-	-	1
OPEB-related items	114	88	-	-	-	-	202
Total deferred inflows of resources	<u>115</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203</u>
<b>NET POSITION</b>							
Net investment in capital assets	8,516	-	-	-	-	-	8,516
Unrestricted	21,766	(1,152)	(24,637)	471	898	26,905	24,251
Total net position	<u>\$ 30,282</u>	<u>\$ (1,152)</u>	<u>\$ (24,637)</u>	<u>\$ 471</u>	<u>\$ 898</u>	<u>\$ 26,905</u>	<u>\$ 32,767</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, 2024**  
**(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	\$ 7,428	\$ 2,246	\$ 19,314	\$ 968	\$ 20,401	\$ 133,047	\$ 183,404
Miscellaneous	334	-	1,289	21	420	6	2,070
Total operating revenues	<u>7,762</u>	<u>2,246</u>	<u>20,603</u>	<u>989</u>	<u>20,821</u>	<u>133,053</u>	<u>185,474</u>
<b>Operating expenses:</b>							
Salaries and benefits	1,355	1,215	-	-	-	-	2,570
Pension expense	408	318	-	-	-	-	726
OPEB expense	55	43	-	-	-	-	98
General and administrative	3,438	560	3,152	974	2,665	8,547	19,336
Benefits and claims	-	-	16,035	-	3,929	8,883	28,847
Insurance premiums	-	-	2,132	-	17,518	117,024	136,674
Depreciation	2,286	-	-	-	-	-	2,286
Total operating expenses	<u>7,542</u>	<u>2,136</u>	<u>21,319</u>	<u>974</u>	<u>24,112</u>	<u>134,454</u>	<u>190,537</u>
Operating income (loss)	<u>220</u>	<u>110</u>	<u>(716)</u>	<u>15</u>	<u>(3,291)</u>	<u>(1,401)</u>	<u>(5,063)</u>
<b>Nonoperating revenues (expenses):</b>							
Investment income (loss)	1,166	(9)	1,347	55	294	1,319	4,172
Total nonoperating revenues (expenses)	<u>1,166</u>	<u>(9)</u>	<u>1,347</u>	<u>55</u>	<u>294</u>	<u>1,319</u>	<u>4,172</u>
Income (loss) before transfers	1,386	101	631	70	(2,997)	(82)	(891)
Transfers in	-	-	-	-	1,787	-	1,787
Transfers out	(60)	(14)	-	-	(11)	-	(85)
<b>Change in net position</b>	1,326	87	631	70	(1,221)	(82)	811
Net position - beginning	<u>28,956</u>	<u>(1,239)</u>	<u>(25,268)</u>	<u>401</u>	<u>2,119</u>	<u>26,987</u>	<u>31,956</u>
Net position - end	<u>\$ 30,282</u>	<u>\$ (1,152)</u>	<u>\$ (24,637)</u>	<u>\$ 471</u>	<u>\$ 898</u>	<u>\$ 26,905</u>	<u>\$ 32,767</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(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	\$ 7,929	\$ 2,201	\$ 20,317	\$ 987
Cash payment to suppliers of goods and services	(3,374)	(270)	(5,244)	(978)
Cash payment to employees for services	(1,595)	(1,423)	-	(1)
Cash payment for judgments and claims	-	-	(14,798)	(256)
Net cash provided by (used in) operating activities	<u>2,960</u>	<u>508</u>	<u>275</u>	<u>(248)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers received from other funds	-	-	-	-
Transfers paid to other funds	(60)	(14)	-	-
Loan to other funds	-	(241)	-	-
Net cash provided by (used in) noncapital financing activities	<u>(60)</u>	<u>(255)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(2,175)	-	-	-
Net cash used in capital and related financing activities	<u>(2,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Investment income received (expenses paid)	1,116	(8)	1,283	53
Net increase (decrease) in cash and cash equivalents	1,841	245	1,558	(195)
Cash and cash equivalents, beginning	20,569	5	22,426	801
Cash and cash equivalents, end	<u>\$ 22,410</u>	<u>\$ 250</u>	<u>\$ 23,984</u>	<u>\$ 606</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>Operating income (loss)</b>	\$ 220	\$ 110	\$ (716)	\$ 15
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,286	-	-	-
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(2)	10	(81)	-
Due from other funds	164	(55)	-	(2)
Due from other government agencies	4	-	-	-
Inventories	(21)	-	-	-
Other assets	1	-	(205)	-
Deferred outflows of resources	2	78	-	-
Increase (decrease) in:				
Accounts payable	39	(12)	41	-
Accrued salaries and benefits	6	-	-	(1)
Due to other funds	46	302	(1)	(4)
Net pension liability	186	69	-	-
Net OPEB liability	18	14	-	-
Compensated absences	18	(3)	-	-
Estimated claims	-	-	1,237	(256)
Deferred inflows of resources	(7)	(5)	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,960</u>	<u>\$ 508</u>	<u>\$ 275</u>	<u>\$ (248)</u>

(Continued)



**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	Personal Injury and Property Damage	Employee Benefits	Total	
	\$ 19,540	\$ 133,060	\$ 184,034	<b>Cash flows from operating activities</b>
	(19,657)	(125,471)	(154,994)	Cash received from interfund services provided
	-	-	(3,019)	Cash payment to suppliers of goods and services
	(1,578)	(9,001)	(25,633)	Cash payment to employees for services
	(1,695)	(1,412)	388	Cash payment for judgments and claims
				Net cash provided by (used in) operating activities
				<b>Cash flows from noncapital financing activities</b>
	1,787	-	1,787	Transfers received from other funds
	(11)	-	(85)	Transfers paid to other funds
	-	-	(241)	Loan to other funds
	1,776	-	1,461	Net cash provided by (used in) noncapital financing activities
				<b>Cash flows from capital and related financing activities</b>
	-	-	(2,175)	Acquisition of capital assets
	-	-	(2,175)	Net cash used in capital and related financing activities
				<b>Cash flows from investing activities</b>
	280	1,288	4,012	Investment income received (expenses paid)
	361	(124)	3,686	Net increase (decrease) in cash and cash equivalents
	3,919	24,663	72,383	Cash and cash equivalents, beginning
	\$ 4,280	\$ 24,539	\$ 76,069	Cash and cash equivalents, end
				<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>
	\$ (3,291)	\$ (1,401)	\$ (5,063)	<b>Operating income (loss)</b>
				Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
	-	-	2,286	Depreciation and amortization
				Changes in operating assets and liabilities:
				Decrease (increase) in:
	-	201	128	Accounts receivable
	(2)	-	105	Due from other funds
	-	(194)	(190)	Due from other government agencies
	-	-	(21)	Inventories
	(1,279)	-	(1,483)	Other assets
	-	-	80	Deferred outflows of resources
				Increase (decrease) in:
	533	(45)	556	Accounts payable
	-	-	5	Accrued salaries and benefits
	(7)	145	481	Due to other funds
	-	-	255	Net pension liability
	-	-	32	Net OPEB liability
	-	-	15	Compensated absences
	2,351	(118)	3,214	Estimated claims
	-	-	(12)	Deferred inflows of resources
	\$ (1,695)	\$ (1,412)	\$ 388	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, unless specifically authorized by the Treasurer.

#### Private Purpose Trust Funds

*Redevelopment Agencies (RDA)* – accounts for revenues to be allocated to various taxing entities in the County.

*Unapportioned Taxes Fund* – accounts for property tax receipts awaiting apportionment to other local governmental agencies.

#### Custodial 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.

*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 Custodial Funds* – 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, 2024**  
**(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	\$ 637,619	\$ 3,029,877	\$ 647,768	\$ 4,315,264
Interest receivable	6,218	29,886	9,163	45,267
Due from other governmental agencies	11,813	1	-	11,814
Other assets	-	3	-	3
Total assets	655,650	3,059,767	656,931	4,372,348
<b>LIABILITIES</b>				
Accounts payable	3,716	-	855	4,571
Other liabilities	11,813	-	6	11,819
Total liabilities	15,529	-	861	16,390
<b>NET POSITION</b>				
Net position restricted for investment pool participants	\$ 640,121	\$ 3,059,767	\$ 656,070	\$ 4,355,958

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<b>External Investment Pool</b>			
	Special Districts under Local Board	School Districts	Other Investment Trust	Total
<b>ADDITIONS</b>				
Contributions to investment pool	\$ 657,204	\$ 4,435,985	\$ 794,822	\$ 5,888,011
Net investment income:				
Net appreciation in fair value of investments	9,858	56,324	19,848	86,030
Interest and investment income	20,407	98,643	246,642	365,692
Total net investment income	30,265	154,967	266,490	451,722
Total additions	687,469	4,590,952	1,061,312	6,339,733
<b>DEDUCTIONS</b>				
Distribution from investment pool	564,539	4,349,347	1,272,139	6,186,025
<b>Change in net position</b>	122,930	241,605	(210,827)	153,708
Net position - beginning	517,191	2,818,162	866,897	4,202,250
Net position - end	\$ 640,121	\$ 3,059,767	\$ 656,070	\$ 4,355,958

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2024**  
**(In Thousands)**

	RDA	Unapportioned Taxes	Total
<b>ASSETS</b>			
Cash and investments	\$ 301	\$ 215,671	\$ 215,972
Receivables (net):			
Interest	852	1,541	2,393
Total assets	1,153	217,212	218,365
<b>LIABILITIES</b>			
Accounts payable	-	107	107
Due to other governmental agencies	13	200,900	200,913
Other liabilities	-	17	17
Total liabilities	13	201,024	201,037
<b>NET POSITION</b>			
Net position restricted for individuals, organizations, and other governments	\$ 1,140	\$ 16,188	\$ 17,328

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
<b>ADDITIONS</b>			
Property taxes collected for other governments	\$ 351,951	\$ 4,464,894	\$ 4,816,845
Interest and investment income/(loss)	<u>1,272</u>	<u>8,593</u>	<u>9,865</u>
Total additions	<u>353,223</u>	<u>4,473,487</u>	<u>4,826,710</u>
<b>DEDUCTIONS</b>			
Property taxes distributed to other governments	<u>352,934</u>	<u>4,517,986</u>	<u>4,870,920</u>
<b>Change in net position</b>	289	(44,499)	(44,210)
Net position - beginning	<u>851</u>	<u>60,687</u>	<u>61,538</u>
Net position - end	<u><u>\$ 1,140</u></u>	<u><u>\$ 16,188</u></u>	<u><u>\$ 17,328</u></u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2024**  
**(In Thousands)**

	County Library	Trial Courts Operation	Public Administrator	Public Guardian	Other Custodial	Total
<b>ASSETS</b>						
Cash and investments	\$ 62,649	\$ 2	\$ 36,013	\$ 13,166	\$ 264,234	\$ 376,064
Receivables (net):						
Accounts	-	-	-	-	560	560
Interest	603	2	364	133	2,612	3,714
Taxes, net	1,698	-	-	-	191,127	192,825
Other	3,749	-	-	-	17	3,766
Due from other governmental agencies	3,869	-	-	-	30,319	34,188
Other assets	3,102	1,108	14,513	17,619	-	36,342
Total assets	<u>75,670</u>	<u>1,112</u>	<u>50,890</u>	<u>30,918</u>	<u>488,869</u>	<u>647,459</u>
<b>LIABILITIES</b>						
Accounts payable	3,318	-	713	-	7,287	11,318
Due to other governmental agencies	1	-	230	101	1,285	1,617
Other liabilities	10,452	-	95	1,128	247,415	259,090
Total liabilities	<u>13,771</u>	<u>-</u>	<u>1,038</u>	<u>1,229</u>	<u>255,987</u>	<u>272,025</u>
<b>NET POSITION</b>						
Net position restricted for individuals, organizations, and other governments	<u>\$ 61,899</u>	<u>\$ 1,112</u>	<u>\$ 49,852</u>	<u>\$ 29,689</u>	<u>\$ 232,882</u>	<u>\$ 375,434</u>



**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(In Thousands)**

	<u>County Library</u>	<u>Trial Courts Operation</u>	<u>Public Administrator</u>	<u>Public Guardian</u>	<u>Other Custodial</u>	<u>Total</u>
<b>ADDITIONS</b>						
Contributions to investment pool	\$ 6,922	\$ 26,748	\$ -	\$ -	\$ 136,531	\$ 170,201
Contributions held on bequests	-	-	23,225	14,999	-	38,224
Property taxes collected for other governments	45,430	-	-	-	1,245,698	1,291,128
Interest and investment income	3,119	48	2,224	641	16,317	22,349
	<u>55,471</u>	<u>26,796</u>	<u>25,449</u>	<u>15,640</u>	<u>1,398,546</u>	<u>1,521,902</u>
Total additions						
<b>DEDUCTIONS</b>						
Distribution from investment pool	22,863	18,992	-	-	132,032	173,887
Property taxes distributed to other governments	4,218	-	-	-	1,234,243	1,238,461
Beneficiary payments to individuals	-	-	29,425	10,651	-	40,076
Payments to other local governments	19,731	-	-	-	2,074	21,805
Administrative expenses	2,727	7,590	-	-	424	10,741
Interest expense	-	-	-	-	23,343	23,343
	<u>49,539</u>	<u>26,582</u>	<u>29,425</u>	<u>10,651</u>	<u>1,392,116</u>	<u>1,508,313</u>
Total deductions						
<b>Change in net position</b>	5,932	214	(3,976)	4,989	6,430	13,589
Net position - beginning	<u>55,967</u>	<u>898</u>	<u>53,828</u>	<u>24,700</u>	<u>226,452</u>	<u>361,845</u>
Net position - end	<u>\$ 61,899</u>	<u>\$ 1,112</u>	<u>\$ 49,852</u>	<u>\$ 29,689</u>	<u>\$ 232,882</u>	<u>\$ 375,434</u>



**STATISTICAL SECTION**  
**(Unaudited)**

# COUNTY OF SAN MATEO

## Statistical Section

This part of the County's Annual Comprehensive 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**

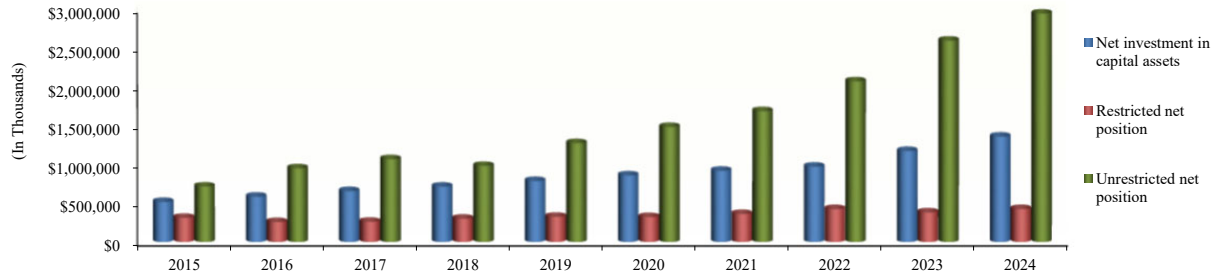
This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 441,955	\$ 508,490	\$ 579,485	\$ 634,859	\$ 706,423	\$ 779,091	\$ 836,052	\$ 889,020	\$ 1,089,895	\$ 1,263,970
Restricted for:										
Government programs <sup>3</sup>	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663	389,025
Capital projects	3,179	2,714	2,518	2,402	1,427	1,799	-	-	-	-
Debt service	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540	33,565
Unrestricted	701,449	917,413	1,032,917	975,044	1,258,498	1,443,606	1,622,679	1,974,683	2,507,542	2,874,291
Subtotal governmental activities net position	1,453,752	1,682,127	1,872,938	1,908,395	2,287,944	2,542,336	2,818,278	3,285,809	3,977,640	4,560,851
<b>Business-type Activities</b>										
Net investment in capital assets <sup>1</sup>	73,924	75,231	76,676	78,508	80,568	79,271	82,464	82,842	84,379	95,670
Restricted for:										
Housing assistance programs	84	-	-	1,383	1,782	1,518	1,318	1,837	1,455	1,846
Airport management by FAA	709	362	362	-	-	-	-	-	-	-
Fuel Dock 10 project	137	-	-	-	-	-	-	-	-	-
Unrestricted	12,685	32,816	34,911	6,229	16,874	40,477	64,858	97,692	90,622	72,629
Subtotal business-type activities net position	87,539	108,409	111,949	86,120	99,224	121,266	148,640	182,371	176,456	170,145
<b>Primary Government</b>										
Net investment in capital assets	515,879	583,721	656,161	713,367	786,991	858,362	918,516	971,862	1,174,274	1,359,640
Restricted for:										
Governmental programs	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663	389,025
Capital projects	3,179	2,714	2,518	2,402	1,427	1,799	-	-	-	-
Debt service	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540	33,565
Housing assistance programs	84	-	-	1,383	1,782	1,518	1,318	1,837	1,455	1,846
Airport management by FAA	709	362	362	-	-	-	-	-	-	-
Fuel Dock 10 project	137	-	-	-	-	-	-	-	-	-
Total restricted	311,278	256,586	260,898	299,875	324,805	321,157	360,865	423,943	381,658	424,436
Unrestricted	714,134	950,229	1,067,828	981,273	1,275,372	1,484,083	1,687,537	2,072,375	2,598,164	2,946,920
Total primary government net position <sup>2</sup>	\$ 1,541,291 <sup>4</sup>	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168	\$ 2,663,602	\$ 2,966,918	\$ 3,468,180	\$ 4,154,096	\$ 4,730,996
Percent of increase (decrease) in primary government net position	17.46%	16.17%	10.85%	0.49%	19.69%	11.58%	11.39%	16.90%	19.78%	13.89%

**Net Position**



Source: Government-Wide Financial Statements - Annual Comprehensive 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
<u>Governmental activities:</u>										
General government	\$ 120,104	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837	\$ 238,847	\$ 397,881	\$ 236,202	\$ 165,065	\$ 205,148
Public protection	321,375	357,729	403,393	409,330	423,996	477,616	485,608	414,152	491,388	582,292
Public ways and facilities	16,369	20,058	23,460	24,375	23,731	27,706	27,221	25,938	30,115	30,807
Health and sanitation	243,919	275,293	304,204	350,672	376,472	386,005	408,741	442,737	448,120	512,022
Public assistance	211,921	222,255	243,469	250,393	255,556	230,967	283,760	281,337	311,497	435,241
Recreation	11,537	13,171	15,483	16,252	16,839	22,676	21,148	21,895	23,291	26,093
Interest on long-term debt	22,980	22,187	19,068	17,691	22,098	22,817	23,745	28,402	24,246	23,052
Total governmental activities expenses	<u>948,205</u>	<u>1,022,025</u>	<u>1,139,408</u>	<u>1,225,311</u>	<u>1,268,529</u>	<u>1,406,634</u>	<u>1,648,104</u>	<u>1,450,663</u>	<u>1,493,722</u>	<u>1,814,655</u>
<u>Business-type activities:</u>										
San Mateo Medical Center	233,186	264,854	290,389	314,258	335,511	403,981	399,704	397,777	418,537	453,223
Airports	3,312	3,318	3,808	4,533	4,737	5,004	4,736	4,635	5,108	5,554
Coyote Point Marina	921	1,090	1,234	2,261	1,306	1,466	1,461	1,661	1,372	1,728
Housing Authority	68,016	72,783	82,567	89,191	95,526	108,385	123,320	130,654	133,240	146,026
Total business-type activities expenses	<u>305,435</u>	<u>342,045</u>	<u>377,998</u>	<u>410,243</u>	<u>437,080</u>	<u>518,836</u>	<u>529,221</u>	<u>534,727</u>	<u>558,257</u>	<u>606,531</u>
Total primary government expenses	<u>\$ 1,253,640</u>	<u>\$ 1,364,070</u>	<u>\$ 1,517,406</u>	<u>\$ 1,635,554</u>	<u>\$ 1,705,609</u>	<u>\$ 1,925,470</u>	<u>\$ 2,177,325</u>	<u>\$ 1,985,390</u>	<u>\$ 2,051,979</u>	<u>\$ 2,421,186</u>
<b>Program Revenues</b>										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 30,261	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674	\$ 33,198	\$ 47,995	\$ 67,696	\$ 79,731	\$ 52,056
Public protection	35,191	36,755	35,998	37,529	41,024	57,108	56,922	61,830	58,135	67,368
Public ways and facilities	2,527	2,387	2,979	3,002	3,041	3,804	3,773	4,316	3,605	5,494
Health and sanitation	104,099	91,215	92,286	91,551	106,810	102,620	110,042	118,271	111,216	132,934
Public assistance	5,898	5,880	5,416	6,147	6,165	6,263	11,718	7,361	6,231	7,727
Recreation	1,649	2,238	2,531	2,906	2,663	3,650	2,425	1,733	1,898	1,287
Operating grants and contributions	516,195	479,695	501,166	566,848	594,396	568,353	783,503	782,230	723,151	783,130
Capital grants and contributions	-	-	-	-	-	-	-	-	100	-
Total governmental activities program revenues	<u>695,820</u>	<u>652,783</u>	<u>675,140</u>	<u>742,054</u>	<u>789,773</u>	<u>774,996</u>	<u>1,016,378</u>	<u>1,043,437</u>	<u>984,067</u>	<u>1,049,996</u>
<u>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	195,904	227,104	239,908	270,519	292,855	341,987	345,657	364,625	358,845	375,067
Airports	2,674	3,833	3,812	4,032	3,847	4,232	5,565	5,251	4,397	4,031
Coyote Point Marina	1,089	1,103	1,196	1,420	1,467	1,531	1,550	1,596	1,492	1,507
Housing Authority	67,625	71,351	78,238	97,623	94,057	116,163	130,386	133,330	132,120	148,166
Operating grants and contributions	5,369	3,316	1,488	1,095	71	20,339	8,584	11,072	2,776	12,216
Capital grants and contributions	2,279	5,226	6,431	4,919	5,007	4,585	3,211	4,294	5,725	8,836
Total business-type activities program revenues	<u>274,940</u>	<u>311,933</u>	<u>331,073</u>	<u>379,608</u>	<u>397,304</u>	<u>488,837</u>	<u>494,953</u>	<u>520,168</u>	<u>505,355</u>	<u>549,823</u>
Total primary government program revenues	<u>\$ 970,760</u>	<u>\$ 964,716</u>	<u>\$ 1,006,213</u>	<u>\$ 1,121,662</u>	<u>\$ 1,187,077</u>	<u>\$ 1,263,833</u>	<u>\$ 1,511,331</u>	<u>\$ 1,563,605</u>	<u>\$ 1,489,422</u>	<u>\$ 1,599,819</u>
<b>Net Expense <sup>1</sup></b>										
Governmental activities	\$ (252,385)	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)	\$ (631,638)	\$ (631,726)	\$ (407,226)	\$ (509,655)	\$ (764,659)
Business-type activities	(30,495)	(30,112)	(46,925)	(30,635)	(39,776)	(29,999)	(34,268)	(14,559)	(52,902)	(56,708)
Total primary government net expenses	<u>\$ (282,880)</u>	<u>\$ (399,354)</u>	<u>\$ (511,193)</u>	<u>\$ (513,892)</u>	<u>\$ (518,532)</u>	<u>\$ (661,637)</u>	<u>\$ (665,994)</u>	<u>\$ (421,785)</u>	<u>\$ (562,557)</u>	<u>\$ (821,367)</u>

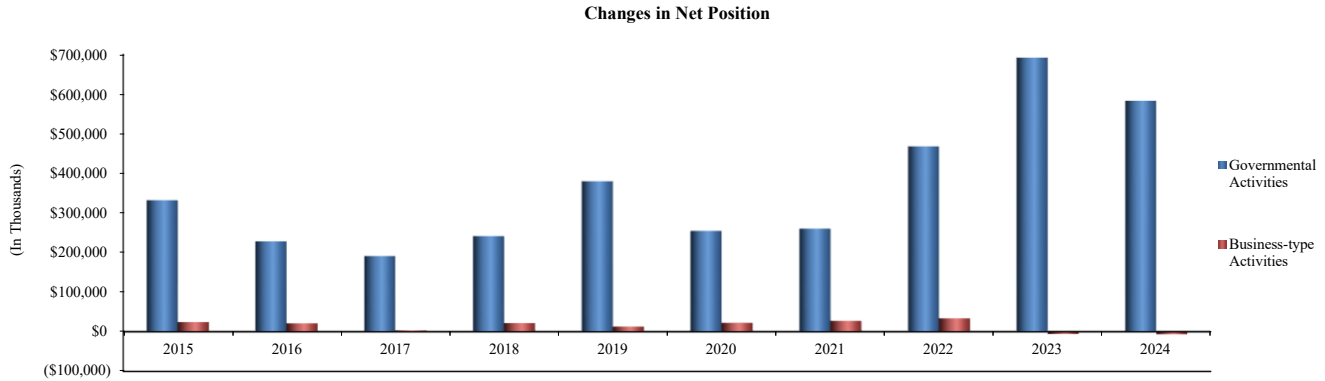
Source: Government-Wide Financial Statements - Annual Comprehensive Financial Reports, County of San Mateo, California

Notes:  
<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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 455,001	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342	\$ 691,462	\$ 782,391	\$ 763,379	\$ 932,073	\$ 937,531
Property transfer taxes	10,333	9,978	10,088	11,008	11,315	10,291	13,575	16,234	9,663	5,696
Sales and use taxes	102,724	98,437	107,398	114,743	127,083	118,681	108,058	138,752	155,103	147,136
Property tax in-lieu of sales taxes	6,793	4,808	-	-	-	-	-	-	-	-
Transient occupancy taxes	1,527	1,490	1,749	2,160	1,750	1,920	2,619	4,393	4,837	6,149
Aircraft taxes	1,125	1,086	1,487	1,418	1,413	984	1,016	1,647	1,616	1,829
Vehicle rental business license tax	12,181	12,145	12,581	10,946	11,540	10,911	2,476	8,668	12,899	12,956
Unrestricted interest and investment earnings	13,742	21,026	14,859	24,828	58,417	78,726	4,094	(57,313)	69,362	180,430
Miscellaneous	35,070	27,188	42,246	44,792	45,228	60,531	36,950	47,287	57,777	102,004
Special items	-	(603)	-	-	-	(39,088)	-	-	-	-
Transfers	(53,939)	(49,923)	(50,265)	(50,915)	(47,783)	(48,388)	(59,443)	(48,290)	(41,844)	(45,861)
<b>Total governmental activities</b>	<b>584,557</b>	<b>597,617</b>	<b>655,079</b>	<b>724,244</b>	<b>858,305</b>	<b>886,030</b>	<b>891,736</b>	<b>874,757</b>	<b>1,201,486</b>	<b>1,347,870</b>
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	333	776	(222)	156	2,448	1,784	321	(3,231)	1,322	2,731
Miscellaneous	502	283	422	1,271	2,649	1,869	1,878	3,231	3,821	1,805
Transfers	53,939	49,923	50,265	50,915	47,783	48,388	59,443	48,290	41,844	45,861
<b>Total business-type activities</b>	<b>54,774</b>	<b>50,982</b>	<b>50,465</b>	<b>52,342</b>	<b>52,880</b>	<b>52,041</b>	<b>61,642</b>	<b>48,290</b>	<b>46,987</b>	<b>50,397</b>
<b>Total primary government</b>	<b>\$ 639,331</b>	<b>\$ 648,599</b>	<b>\$ 705,544</b>	<b>\$ 776,586</b>	<b>\$ 911,185</b>	<b>\$ 938,071</b>	<b>\$ 953,378</b>	<b>\$ 923,047</b>	<b>\$ 1,248,473</b>	<b>\$ 1,398,267</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 332,172	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549	\$ 254,392	\$ 260,010	\$ 467,531	\$ 691,831	\$ 583,211
Business-type activities	24,279	20,870	3,540	21,707	13,104	22,042	27,374	33,731	(5,915)	(6,311)
<b>Total primary government</b>	<b>\$ 356,451</b>	<b>\$ 249,245</b>	<b>\$ 194,351</b>	<b>\$ 262,694</b>	<b>\$ 392,653</b>	<b>\$ 276,434</b>	<b>\$ 287,384</b>	<b>\$ 501,262</b>	<b>\$ 685,916</b>	<b>\$ 576,900</b>

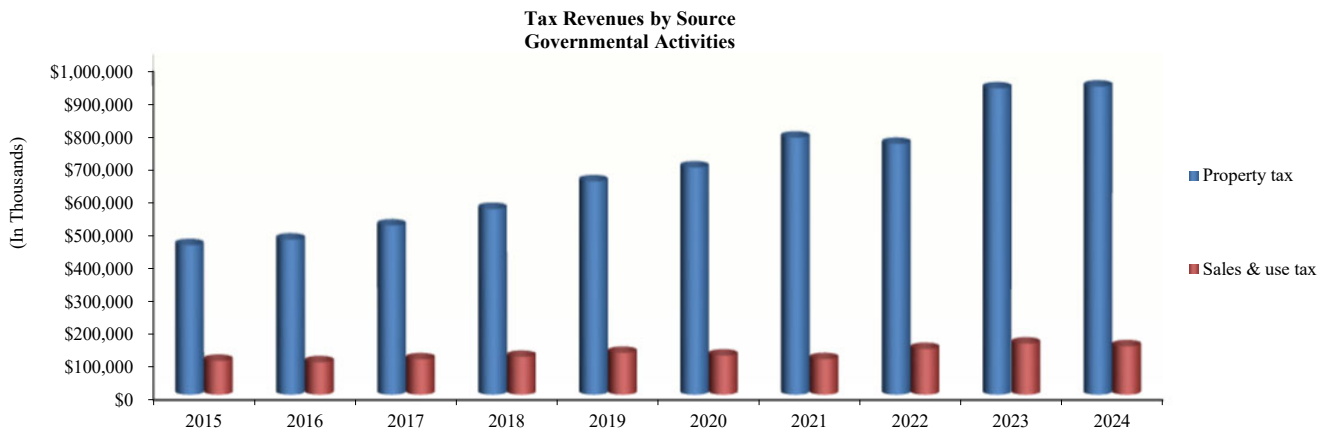


**COUNTY OF SAN MATEO**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(In Thousands)**

<b>Fiscal Year</b>	<b>Property</b>	<b>Property Transfer</b>	<b>Sales and Use Taxes <sup>1</sup></b>	<b>Property tax in-lieu of Sales Tax</b>	<b>Vehicle Rental Business License Tax <sup>2</sup></b>	<b>Transient Occupancy</b>	<b>Aircraft</b>	<b>Total</b>
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>3</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
2021	782,391	13,575	108,058	-	2,476	2,619	1,016	910,135
2022	763,379	16,234	138,752	-	8,668	4,393	1,647	933,073
2023	932,073	9,663	155,103	-	12,899	4,837	1,616	1,116,191
2024	937,531	5,696	147,136	-	12,956	6,149	1,829	1,111,297

**Change**

<b>2015 - 2024</b>	106.1%	-44.9%	43.2%	-100.0%	6.4%	302.7%	62.6%	88.5%
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Source: Controller's Office - County of San Mateo, California

Notes:

- <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> In-lieu sales and use taxes (triple flip) was fully distributed from the State, thus ended the triple flip revenue.

**COUNTY OF SAN MATEO**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(In Thousands)**

General Fund	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nondspendable	\$ 35,269	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648	\$ 52,353	\$ 51,008	\$ 37,538	\$ 24,308	\$ 30,412
Restricted	85,816	89,025	94,418	127,495	151,220	130,731	148,768	187,083	215,910	227,304
Assigned	1,623	6,584	10,235	9,860	7,802	9,334	5,970	6,279	7,396	16,201
Unassigned	641,961	744,315	791,121	835,779	1,021,356	1,221,199	1,244,535	1,561,861	1,856,111	2,235,547
Total general fund	<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>	<u>1,450,281</u>	<u>1,792,761</u>	<u>2,103,725</u>	<u>2,509,464</u>
<b>All Other Governmental Funds</b>										
Nondspendable	347	464	709	718	1,176	1,262	1,097	1,251	1,396	845
Restricted	231,898	173,410	172,118	176,633	405,002	358,807	485,465	377,185	299,517	276,404
Assigned	95,239	107,192	100,162	96,646	99,039	153,189	167,036	133,377	202,674	176,748
Unassigned	(479)	(561)	(546)	(435)	(259)	(789)	(907)	-	(88)	-
Total all other governmental funds	<u>327,005</u>	<u>280,505</u>	<u>272,443</u>	<u>273,562</u>	<u>504,958</u>	<u>512,469</u>	<u>652,691</u>	<u>511,813</u>	<u>503,499</u>	<u>453,997</u>
<b>Total Governmental Funds<sup>1</sup></b>										
Nondspendable	35,616	34,369	40,815	46,916	51,824	53,615	52,105	38,789	25,704	31,257
Restricted	317,714	262,435	266,536	304,128	556,222	489,538	634,233	564,268	515,427	503,708
Assigned	96,862	113,776	110,397	106,506	106,841	162,523	173,006	139,656	210,070	192,949
Unassigned	641,482	743,754	790,575	835,344	1,021,097	1,220,410	1,243,628	1,561,861	1,856,023	2,235,547
Total governmental funds	<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>	<u>\$ 2,102,972</u>	<u>\$ 2,304,574</u>	<u>\$ 2,607,224</u>	<u>\$ 2,963,461</u>

Source: Governmental Funds Financial Statements - Annual Comprehensive 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)**

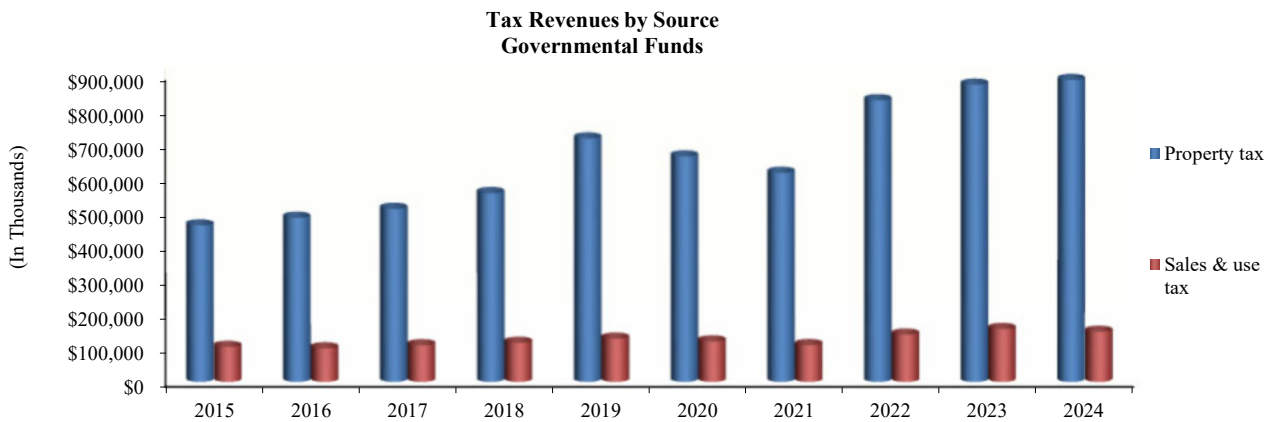
	Fiscal Year Ended June 30,										10 Year % of Increase/ Decrease
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Revenues</b>											
Taxes	\$ 587,811	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	\$ 805,567	\$ 742,389	\$ 997,768	\$ 1,057,940	\$ 1,061,506	80.59%
Licenses and permits	10,023	7,963	10,982	11,283	11,428	10,957	11,126	11,650	11,758	11,464	14.38%
Intergovernmental	508,386	494,214	501,439	542,832	576,465	602,183	771,675	765,150	722,063	789,579	55.31%
Charges for services	176,654	161,243	153,387	163,242	169,368	185,000	225,526	240,597	220,421	235,965	33.57%
Fines, forfeitures and penalties	11,098	11,679	9,486	9,994	11,378	9,807	7,836	8,687	4,729	5,372	-51.59%
Rents and concessions	1,178	1,769	1,655	1,664	1,602	1,994	2,187	2,604	2,689	3,061	159.85%
Investment income (loss)	12,187	18,371	12,705	22,489	54,856	75,078	1,830	(54,381)	67,671	174,252	1329.82%
Other revenues	28,529	24,800	29,557	28,522	27,794	41,336	33,176	39,842	45,333	36,740	28.78%
<b>Total revenues</b>	<b>1,335,866</b>	<b>1,325,560</b>	<b>1,361,209</b>	<b>1,475,385</b>	<b>1,721,783</b>	<b>1,731,922</b>	<b>1,795,745</b>	<b>2,011,917</b>	<b>2,132,604</b>	<b>2,317,939</b>	<b>73.52%</b>
<b>Expenditures</b>											
<b>Current:</b>											
General government*	119,377	109,491	115,071	146,140	136,521	201,816	396,922	259,536	210,463	183,413	53.64%
Public protection*	358,412	387,217	399,087	409,443	431,708	435,617	447,202	450,449	476,049	501,306	39.87%
Public ways and facilities	16,790	20,284	22,225	23,575	23,171	25,663	25,262	25,942	28,047	27,460	63.55%
Health and sanitation	258,824	287,217	305,386	354,334	383,507	372,682	395,870	462,143	445,043	474,163	83.20%
Public assistance	225,296	232,283	245,416	254,197	262,152	223,089	275,127	295,989	309,887	412,103	82.92%
Recreation	11,553	12,992	14,629	15,314	16,100	20,023	18,649	21,343	21,194	21,902	89.58%
Capital outlay	125,473	97,594	67,477	57,103	99,858	126,002	124,741	215,064	251,763	273,394	117.89%
<b>Debt service:</b>											
Principal	14,130	15,054	33,680	34,008	33,590	32,163	28,957	27,668	22,831	24,945	76.54%
Interest	24,377	22,926	20,622	20,080	20,248	26,336	27,317	31,188	26,926	25,152	3.18%
Payment to bond refunding escrow	-	9,758	-	-	-	-	-	-	-	-	0.00%
Bond issuance costs	-	1,506	-	-	1,454	274	1,451	43	113	352	100.00%
Bond insurance costs	-	-	7	16	33	56	43	-	-	-	0.00%
<b>Total expenditures</b>	<b>1,154,232</b>	<b>1,196,322</b>	<b>1,223,600</b>	<b>1,314,210</b>	<b>1,408,342</b>	<b>1,463,721</b>	<b>1,741,541</b>	<b>1,789,365</b>	<b>1,792,316</b>	<b>1,944,190</b>	<b>68.44%</b>
Excess of revenues over expenditures	181,634	129,238	137,609	161,175	313,441	268,201	54,204	222,552	340,288	373,749	105.77%
<b>Other financing sources (uses)</b>											
Issuance of debt	1,332	619	222	1,974	217,744	-	153,005	-	-	-	-100.00%
Proceeds from sale of capital assets	-	9	33	3	3	-	-	-	-	-	0.00%
Issuance of refunding bonds	-	126,325	-	-	-	45,170	-	-	26,345	61,345	100.00%
Premium on lease revenue and revenue refunding bonds	-	18,690	-	-	13,860	4,090	17,667	-	4,949	8,454	100.00%
Payment to bond refunding escrow/agent	-	(143,364)	-	-	-	(49,993)	-	-	(31,145)	(68,829)	-100.00%
Leases	-	-	-	-	-	-	-	36,920	2,367	17,961	100.00%
Subscriptions	-	-	-	-	-	-	-	-	1,761	11,120	100.00%
Transfers in	89,486	133,978	135,225	153,067	158,943	226,064	180,939	188,408	227,581	182,193	103.60%
Transfers out	(144,690)	(183,297)	(185,500)	(204,018)	(210,233)	(274,707)	(244,861)	(241,178)	(269,496)	(229,756)	58.79%
<b>Total other financing sources (uses)</b>	<b>(53,872)</b>	<b>(47,040)</b>	<b>(50,020)</b>	<b>(48,974)</b>	<b>180,317</b>	<b>(49,376)</b>	<b>106,750</b>	<b>(15,850)</b>	<b>(37,638)</b>	<b>(17,512)</b>	<b>-67.49%</b>
<b>Change in fund balances before special item</b>	<b>127,762</b>	<b>82,198</b>	<b>87,589</b>	<b>112,201</b>	<b>493,758</b>	<b>218,825</b>	<b>160,954</b>	<b>206,702</b>	<b>302,650</b>	<b>356,237</b>	<b>178.83%</b>
Special item	(10,000)	(19,538)	(33,600)	(27,630)	(50,668)	(28,723)	-	-	-	-	100.00%
<b>Net change in fund balances</b>	<b>\$ 117,762</b>	<b>\$ 62,660</b>	<b>\$ 53,989</b>	<b>\$ 84,571</b>	<b>\$ 443,090</b>	<b>\$ 190,102</b>	<b>\$ 160,954</b>	<b>\$ 206,702</b>	<b>\$ 302,650</b>	<b>\$ 356,237</b>	<b>202.51%</b>
<b>Debt service as a percentage of noncapital expenditures</b>											
	3.74%	3.46%	4.70%	4.30%	4.11%	4.37%	3.48%	3.74%	3.23%	3.00%	

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

\* 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.

**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 <sup>1</sup></b>	<b>All Other Taxes</b>	<b>Total</b>
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>2</sup>	127,083	11,315	11,540	3,163	868,892
2020	662,780	118,681	10,291	10,911	2,904	805,567
2021	614,645	108,058	13,575	2,476	3,635	742,389
2022	828,074	138,752	16,234	8,668	6,040	997,768
2023	873,822	155,103	9,663	12,899	6,453	1,057,940
2024	887,740	147,136	5,696	12,956	7,978	1,061,506
<b>10 year % of change</b>	93.0%	43.2%	-44.9%	6.4%	200.8%	80.6%



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

Notes:

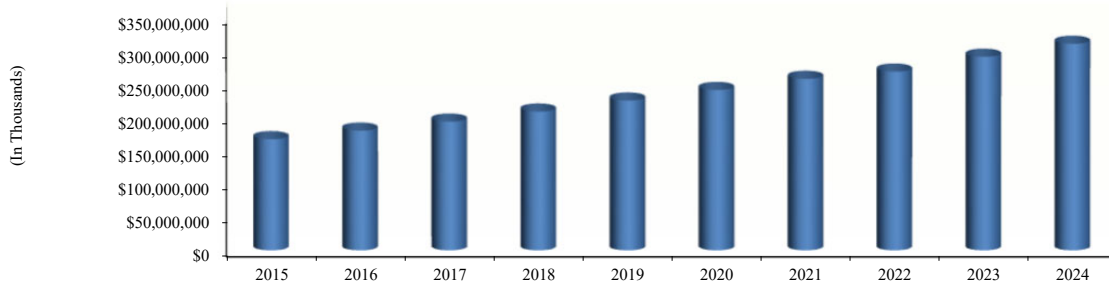
<sup>1</sup> In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle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

<sup>2</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>Plus: Tax Exempt Homeowner</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>% of Change Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2015	\$ 165,062,426	\$ 6,573,444	\$ 5,235,533	\$ 878,430	\$ 167,278,767	6%	1%
2016	177,738,379	6,972,721	5,501,611	870,020	180,079,509	8%	1%
2017	190,856,437	7,313,377	5,376,465	859,960	193,653,309	8%	1%
2018	205,112,738	8,339,059	5,492,569	850,200	208,809,428	8%	1%
2019	221,992,874	9,209,736	6,595,761	842,934	225,449,783	8%	1%
2020	238,245,297	9,777,421	7,568,631	835,055	241,289,142	7%	1%
2021	255,589,248	9,623,584	7,955,611	826,415	258,083,636	7%	1%
2022	267,655,100	9,425,418	8,974,402	821,011	268,927,127	4%	1%
2023	290,316,446	9,839,325	9,708,110	810,088	291,257,749	8%	1%
2024	309,458,899	10,896,115	10,328,618	802,169	310,828,565	7%	1%
<b>10 year % of Change</b>	87.48%	65.76%	97.28%	-8.68%	85.81%		

**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> 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>		
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	
2021	1.0000	0.0013	0.1254	0.0044	1.1311	
2022	1.0000	0.0012	0.1285	0.0037	1.1334	
2023	1.0000	0.0010	0.1198	0.0034	1.1242	
2024	1.0000	0.0010	0.1350	0.0038	1.1398	

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.

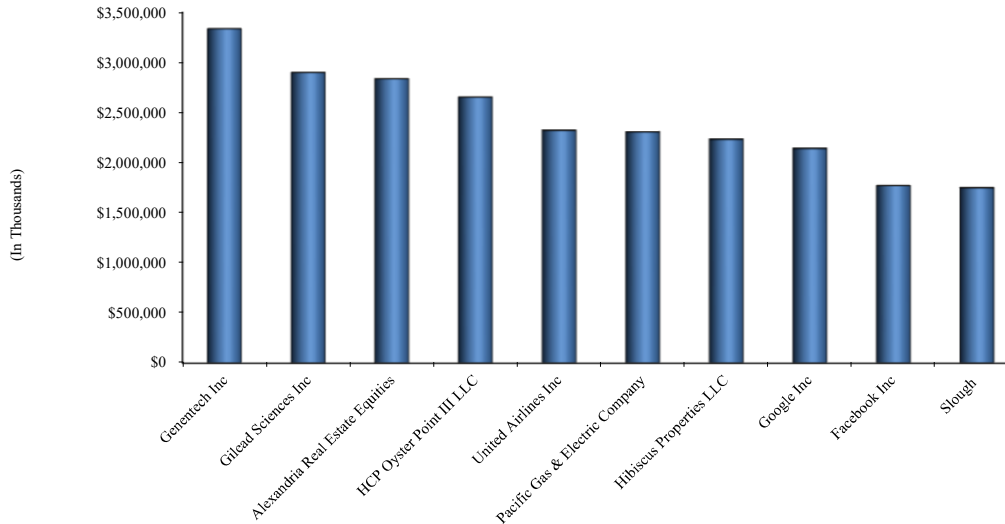
<sup>2</sup> These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

<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, 2024 and January 1, 2015**  
**(In Thousands)**

Assessee	Nature of Business	As of January 1, 2024			As of January 1, 2015		
		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 Inc	Biotechnology	\$ 3,334,988	1	1.07%	\$ 1,725,388	1	1.03%
Gilead Sciences Inc	Biopharmaceutical	2,899,409	2	0.93%	1,088,788	3	0.65%
Alexandria Real Estate Equities	Real Estate	2,835,599	3	0.91%	381,162	9	0.23%
HCP Oyster Point III LLC	Biotechnology	2,653,700	4	0.85%			
United Airlines Inc	Air Carrier	2,322,426	5	0.75%	1,571,117	2	0.94%
Pacific Gas & Electric Company	Natural Gas Company	2,306,098	6	0.74%			
Hibiscus Properties LLC	Real Estate	2,233,391	7	0.72%			
Google Inc	Technology	2,142,047	8	0.69%	641,566	5	0.38%
Facebook Inc	Technology	1,770,518	9	0.57%			
Slough	Lease	1,749,442	10	0.56%			
Oracle Corporation	Software				641,639	4	0.38%
Slough BTC LLC	Lease				585,299	6	0.35%
Slough SSF LLC DE	Lease				498,615	7	0.30%
BRE Properties Inc	Real Estate				415,695	8	0.25%
Wells Real Estate Investment Trust	Real Estate				333,162	10	0.20%
Total		<u>\$ 24,247,618</u>		<u>7.80%</u>	<u>\$ 7,882,431</u>		<u>4.71%</u>

**Principal Property Assesseees**  
**As of January 1, 2024**



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

Notes:

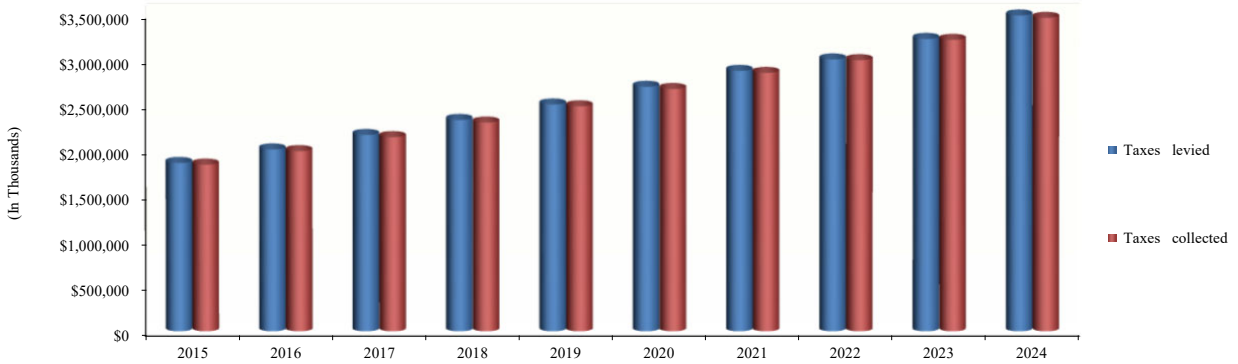
<sup>1</sup> Taxable assessed value includes locally and state assessed real and personal properties.

<sup>2</sup> Total taxable assessed value as of January 1, 2024 was approximately \$310 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>				Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
	Countywide	Local Special Districts	Schools	Cities	Total <sup>3</sup>					
2015	\$ 1,672,818	\$ 1,237	\$ 179,632	\$ 5,347	\$ 1,859,034	\$ 1,838,579	98.90%	\$ 2,058	\$ 1,840,637	99.01%
2016	1,800,795	1,716	201,131	5,051	2,008,693	1,985,831	98.86%	3,950	1,989,781	99.06%
2017	1,936,533	1,636	224,731	4,865	2,167,765	2,142,107	98.82%	2,130	2,144,237	98.91%
2018	2,088,094	1,897	239,323	4,880	2,334,194	2,302,415	98.64%	2,810	2,305,225	98.76%
2019	2,254,498	2,742	242,669	4,908	2,504,817	2,483,644	99.15%	1,277	2,484,921	99.21%
2020	2,412,891	2,825	279,525	4,816	2,700,057	2,665,985	98.74%	9,861	2,675,846	99.10%
2021	2,580,836	2,824	282,494	9,823	2,875,977	2,848,982	99.06%	4,813	2,853,795	99.23%
2022	2,689,271	2,755	301,732	8,577	3,002,335	2,983,060	99.36%	11,046	2,994,106	99.73%
2023	2,912,577	2,659	304,570	8,666	3,228,472	3,205,184	99.28%	13,040	3,218,224	99.68%
2024	3,108,286	2,659	366,534	10,206	3,487,685	3,460,918	99.23%	n/a	3,460,918	99.23%

**Property Tax Levies and Collections**



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.

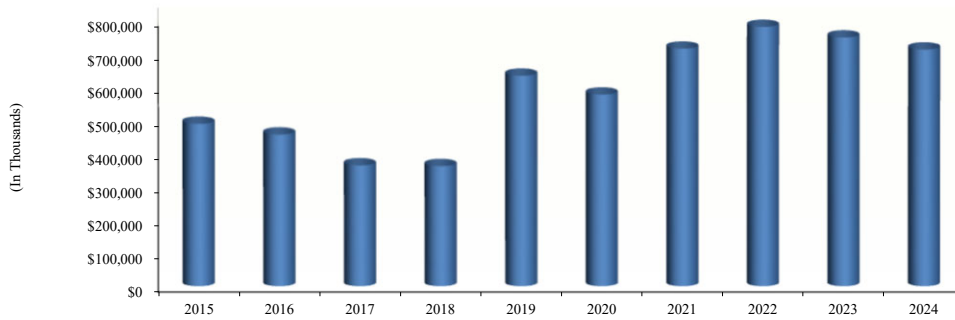
<sup>3</sup> Total taxes levied for each fiscal year are based on the original property value assessment rolls provided by the County Assessor's Office.

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>	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal	Notes Payable	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal				
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	0.56%	667	
2017	339,390	-	18,095	-	2,613	360,098	3,116	-	1,158	4,274	364,372	0.41%	618	
2018	336,157	-	17,465	-	4,441	358,063	2,706	-	1,409	4,115	362,178	0.38%	569	
2019	608,022	-	19,076	-	4,397	631,495	2,277	-	1,138	3,415	634,910	0.64%	738	
2020	570,202	-	-	-	4,249	574,451	2,207	-	1,337	3,544	577,995	0.54%	747	
2021	708,620	-	-	-	4,098	712,718	2,135	-	1,587	3,722	716,440	0.56%	936	
2022	677,050	-	-	62,573	3,944	743,567	2,059	34,693	1,795	38,547	782,114	0.66%	1,056	
2023	649,638	-	-	59,140	3,787	712,565	1,980	33,553	2,079	37,612	750,177	0.60%	1,017	
2024	608,226	-	-	64,792	3,627	676,645	1,897	32,802	2,393	37,092	713,737	n/a	962	

**County Debt**



Source: County Annual Comprehensive Financial Reports.

Notes:

- <sup>1</sup> Lease revenue bonds are limited obligations of the San Mateo County Joint Powers Financing Authority (JPPFA) payable solely from, and secured by, revenues of the JPPFA, which primarily consist of base rental payments receivable from the County under Master Facility Leases.
- <sup>2</sup> Certificates of participation represent shares of lease-purchase payments from the Colma Creek Flood Control District via the JPPFA. 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. 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.

n/a - Information is unavailable.

**COUNTY OF SAN MATEO**  
**Direct and Overlapping Debt**  
**As of June 30, 2024**  
**(In Thousands)**

Assessed valuation (including unitary utility valuation)	\$ 310,423,166		
Redevelopment Incremental Assessed Valuation	\$ 33,479,205		
<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	\$ 608,226	100.00%	\$ 608,226
Leases payable	53,738	100.00%	53,738
Subscriptions payable	11,054	100.00%	11,054
Other long-term obligations	3,627	100.00%	3,627
<b>Total direct debt</b>	676,645		676,645
<b>Overlapping General Fund Obligation Debt</b>			
<i>Cities</i>			
City of Burlingame General Fund and Pension Obligations	41,460	100.00%	41,460
City of Pacifica General Fund Obligations and Pension Obligations	22,975	100.00%	22,975
City of San Mateo General Fund Obligations	57,735	100.00%	57,735
City of South San Francisco General Fund Obligation Bonds	185,105	100.00%	185,105
Other City General Fund and Pension Obligations	84,210	100.00%	84,210
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	79,796	32.46%	25,903
Woodside Fire Protection District Certificates of Participation	11,785	100.00%	11,785
Highland Recreation District General Fund Obligations	1,879	100.00%	1,879
San Mateo County Flood and Sea LRR District General Fund Obligations	13,065	100.00%	13,065
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,405	100.00%	3,405
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	5,735	100.00%	5,735
South San Francisco Unified School District Certificates of Participation	2,560	100.00%	2,560
Jefferson Union High School District Certificates of Participation	46,845	100.00%	46,845
Belmont-Redwood Shores School District Certificates of Participation	4,498	100.00%	4,498
Portola Valley School District Certificates of Participation	701	100.00%	701
San Bruno School District General Fund Obligations	1,450	100.00%	1,450
<b>Total overlapping general fund obligation debt</b>	563,204		509,311
<b>Overlapping Tax and Assessment Debt</b>			
<i>Cities</i>			
	127,740	100.00%	127,740
<i>Special Districts</i>			
Midpeninsula Open Space Park District	80,700	32.46%	26,197
Montara Sanitary District	4,302	100.00%	4,302
Community Facilities Districts	103,650	100.00%	103,650
1915 Act Bonds	6,372	100.00%	6,372
<i>School Districts</i>			
San Mateo Community College District	682,237	100.00%	682,237
Cabrillo Unified School District	134,615	100.00%	134,615
La Honda-Pescadero Unified School District	12,565	100.00%	12,565
South San Francisco School District	303,407	100.00%	303,407
Jefferson Union High School District	338,312	100.00%	338,312
San Mateo Union High School District	703,111	100.00%	703,111
Sequoia Union High School District	488,322	100.00%	488,322
Belmont-Redwood Shores School and School Facilities Improvement Districts	125,748	100.00%	125,748
Burlingame School District	190,086	100.00%	190,086
Hillsborough School District	98,868	100.00%	98,868
Jefferson School District	137,920	100.00%	137,920
Las Lomas School District	113,960	100.00%	113,960
Menlo Park City School District	112,068	100.00%	112,068
Redwood City School District	255,875	100.00%	255,875
San Carlos School District	94,589	100.00%	94,589
San Mateo - Foster City School District	497,628	100.00%	497,628
Other School District	424,284	100.00%	424,284
<b>Total overlapping tax and assessment debt</b>	5,036,359		4,981,856
<b>Overlapping Tax Increment Debt</b>			
	99,948	100.00%	99,948
<b>Total overlapping debt</b>	5,699,511		5,591,115
<b>Total direct and overlapping debt</b>	\$ 6,376,156 <sup>2</sup>		\$ 6,267,760
Ratio of total direct and overlapping debt to adjusted assessed value:			
	2.05%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value <sup>3</sup> of \$27,996,285			
	0.30%		

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.

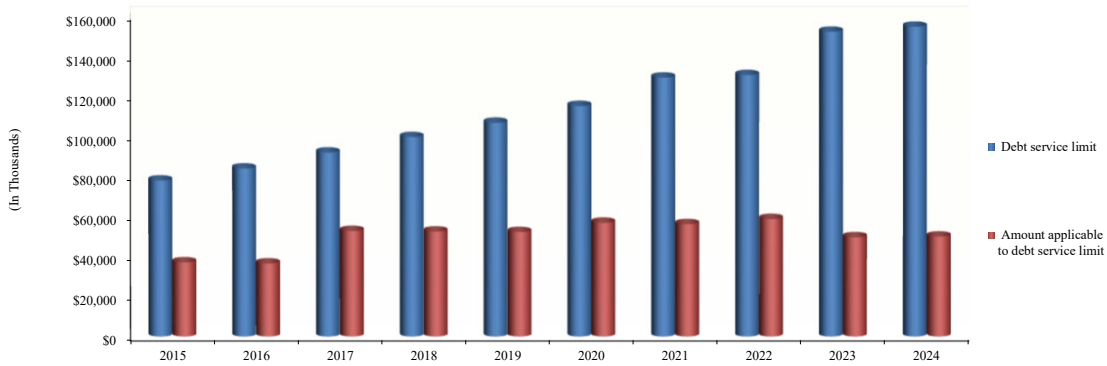
<sup>4</sup> Overlapping debt refers to liability incurred by a municipality or local government body in partly or fully financing projects falling in the jurisdiction of such other bodies.



**COUNTY OF SAN MATEO**  
**Legal Debt Service Margin Information**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Average Annual County budget <sup>1</sup> for the current and preceding four fiscal years</b>	\$ 1,946,229	\$ 2,095,976	\$ 2,295,408	\$ 2,487,914	\$ 2,667,040	\$ 2,876,603	\$ 3,230,258	\$ 3,261,983	\$ 3,801,986	\$ 3,864,641
<b>Legal debt service limit <sup>2</sup></b>										
4% of average county annual budget for the current and preceding four fiscal years	77,849	83,839	91,816	99,517	106,682	115,064	129,210	130,479	152,080	154,586
<b>Less: Amount applicable to debt service limit <sup>3</sup></b>	<u>(36,996)</u>	<u>(36,436)</u>	<u>(52,661)</u>	<u>(52,384)</u>	<u>(52,119)</u>	<u>(56,781)</u>	<u>(56,060)</u>	<u>(58,641)</u>	<u>(49,542)</u>	<u>(49,882)</u>
<b>Legal debt service margin</b>	<b>\$ 40,853</b>	<b>\$ 47,403</b>	<b>\$ 39,155</b>	<b>\$ 47,133</b>	<b>\$ 54,563</b>	<b>\$ 58,283</b>	<b>\$ 73,150</b>	<b>\$ 71,838</b>	<b>\$ 102,538</b>	<b>\$ 104,704</b>
<b>Legal debt service margin as a percentage of debt service limit</b>	52.48%	56.54%	42.65%	47.36%	51.15%	50.65%	56.61%	55.06%	67.42%	67.73%

**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.

<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)**

	<b>1993 Lease Revenue Bonds</b>	<b>2013 Lease Revenue Bonds</b>
<b>Purpose:</b>	Defeased 1991 Certificates of Participation and financed the costs of a parking garage and jail.	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.
<b>Funding Source:</b>	General Fund and Criminal Justice Facilities Fund.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2015	\$ 5,064	\$ 3,505	\$ 1,848	0.95	\$ 2,941	\$ 990	\$ 1,951	1.00
2016	4,889	3,730	1,613	0.92	3,073	1,155	1,918	1.00
2017	4,886	3,975	1,234	0.94	3,071	1,200	1,871	1.00
2018	4,889	4,230	1,125	0.91	3,066	1,250	1,816	1.00
2019	4,894	4,450	789	0.93	3,071	1,320	1,751	1.00
2020	3,938	4,675	508	0.76	3,069	1,385	1,684	1.00
2021	260	4,960	384	0.05	2,185	550	1,635	1.00
2022	-	5,205	-	-	2,187	580	1,607	1.00
2023	-	-	-	-	2,187	610	1,577	1.00
2024	-	-	-	-	661	645	16	1.00

	<b>2014 Lease Revenue Bonds</b>	<b>2016 Lease Revenue Bonds</b>
<b>Purpose:</b>	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.	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.
<b>Funding Source:</b>	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2015	\$ -	\$ -	\$ 8,775	-	\$ -	\$ -	\$ -	-
2016	8,079	-	8,079	1.00	-	-	-	-
2017	25,824	17,745	8,079	1.00	7,744	3,375	4,369	1.00
2018	25,453	18,085	7,368	1.00	7,741	3,290	4,451	1.00
2019	23,464	16,910	6,554	1.00	7,743	3,410	4,333	1.00
2020	20,484	14,690	5,794	1.00	7,744	3,550	4,194	1.00
2021	17,342	12,220	5,122	1.00	7,744	3,695	4,049	1.00
2022	14,024	9,450	4,574	1.00	7,748	3,850	3,898	1.00
2023	13,300	9,185	4,115	1.00	7,741	4,020	3,721	1.00
2024	10,945	8,895	2,050	1.00	7,744	4,230	3,514	1.00

	<b>1993 Satellite Clinic</b>	<b>2018 Lease Revenue Bonds</b>
<b>Purpose:</b>	To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.	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.
<b>Funding Source:</b>	Health department.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2018	\$ 925	\$ 233	\$ 692	1.00	\$ -	\$ -	\$ -	-
2019	955	227	728	1.00	1,669	-	1,669	1.00
2020	995	220	775	1.00	10,013	-	10,013	1.00
2021	1,035	216	819	1.00	10,013	-	10,013	1.00
2022	1,075	209	866	1.00	11,159	1,175	9,984	1.00
2023	1,115	204	911	1.00	11,154	1,230	9,924	1.00
2024	1,160	200	960	1.00	13,184	3,375	9,809	1.00

(Continued)

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

<b>2019 Revenue Refunding Bonds</b>					<b>2021A Lease Revenue Bonds</b>				
<b>Purpose:</b>	To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, and (ii) pay costs of issuance.				To provide funds, together with other available moneys, to (i) finance the reconstruction and equipping of the Cordilleras Mental Health Center, (ii) pay capitalized interest through June 15, 2024, and (iii) pay costs of issuance.				
<b>Funding Source:</b>	County departments occupying the facilities.				County departments occupying the facilities.				
Fiscal Year	Available Revenue	Debt Service		Coverage ratio <sup>1</sup>	Available Revenue	Debt Service		Coverage ratio <sup>1</sup>	
		Principal	Interest			Principal	Interest		
2020	\$ 552	\$ -	\$ 552	1.00	\$ -	\$ -	\$ -	-	
2021	2,259	-	2,259	1.00	-	-	-	-	
2022	9,127	7,045	2,082	1.00	4,709	-	4,709	1.00	
2023	9,146	7,425	1,721	1.00	4,900	-	4,900	1.00	
2024	8,789	7,440	1,349	1.00	4,900	-	4,900	1.00	

<b>2023A Revenue Refunding Bonds</b>					<b>2024A Revenue Refunding Bonds</b>				
<b>Purpose:</b>	To provide funds, together with other available moneys, to (i) refund the outstanding 2013 Bonds, (ii) pay costs of issuance.				To provide funds, together with other available moneys, to (i) refund the outstanding 2014 Bonds, (ii) pay costs of issuance.				
<b>Funding Source:</b>	County departments occupying the facilities.				County departments occupying the facilities.				
Fiscal Year	Available Revenue	Debt Service		Coverage ratio <sup>1</sup>	Available Revenue	Debt Service		Coverage ratio <sup>1</sup>	
		Principal	Interest			Principal	Interest		
2023	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	
2024	981	-	981	1.00	722	-	722	1.00	

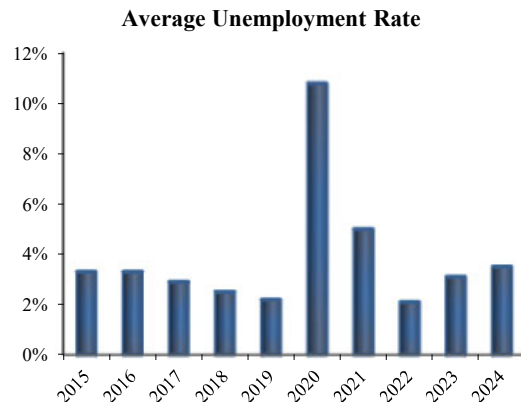
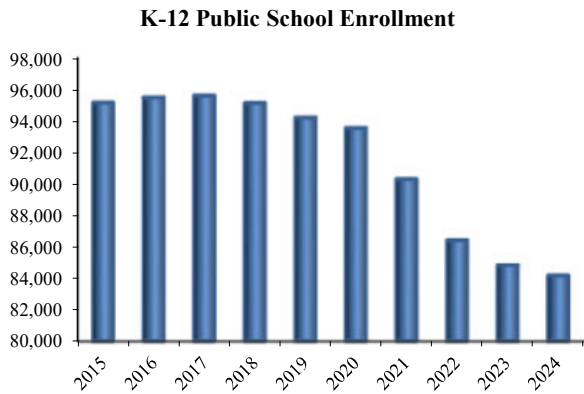
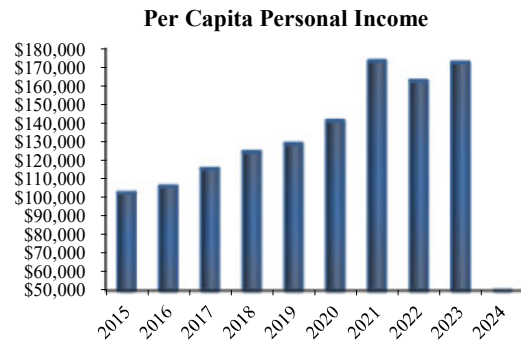
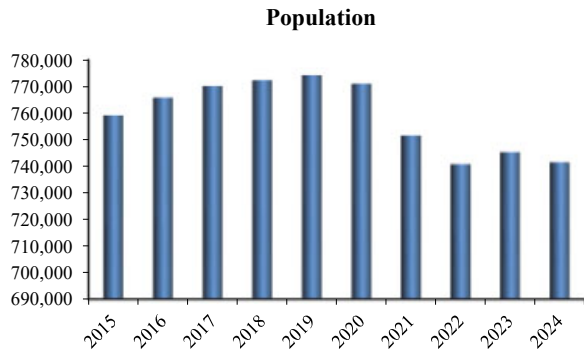
Sources:

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>
2015	759,155	78,525	102,639	39.8	95,187	3.3%
2016	765,895	81,488	106,115	39.5	95,502	3.3%
2017	770,256	89,149	115,556	39.9	95,620	2.9%
2018	772,372	96,226	124,705	39.9	95,155	2.5%
2019	774,231	99,157	129,043	39.9	94,234	2.2%
2020	771,061	107,775	141,348	39.8	93,554	10.8% <sup>6</sup>
2021	751,596	128,260	173,524	40.8	90,315	5.0%
2022	740,821	118,716	162,863	41.4	86,422	2.1%
2023	745,302	125,534	172,828	41.5	84,836	3.1%
2024	741,565	n/a	n/a	n/a	84,180	3.5%



**Sources:**

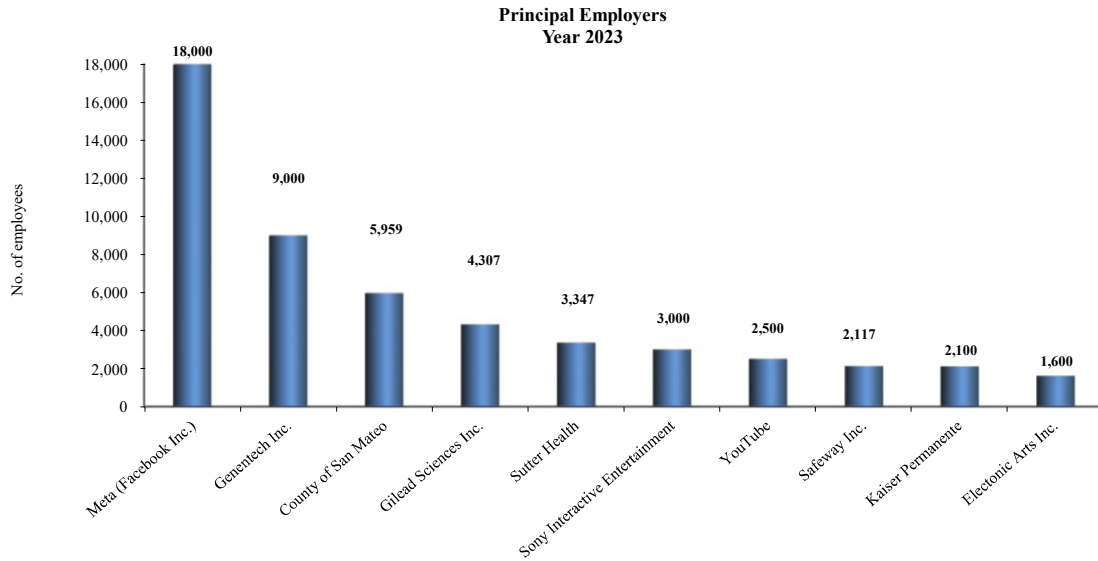
- <sup>1</sup> Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- <sup>2</sup> Data include retroactive revisions by the State of California Department of Education.
- <sup>3</sup> Data include retroactive revisions by the State of California 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 2023 and Year 2016**

Employer	Business Type	2023 <sup>1</sup>			2016		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Meta (Facebook Inc.)	Social Network	18,000	1	4.28%	6,068	4	1.40%
Genentech Inc.	Biotechnology	9,000	2	2.14%	10,000	2	2.30%
County of San Mateo	Government	5,959	3	1.42%	5,500	5	1.26%
Gilead Sciences Inc.	Biotechnology	4,307	4	1.02%	3,500	7	0.80%
Sutter Health	Health Care	3,347	5	0.80%			
Sony Interactive Entertainment	Interactive Entertainment	3,000	6	0.71%			
YouTube	Online Video-Streaming Platform	2,500	7	0.59%			
Safeway Inc.	Retail Grocer	2,117	8	0.50%	2,393	9	0.55%
Kaiser Permanente	Health Care	2,100	9	0.50%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,600	10	0.38%	2,367	10	0.54%
United Airlines	Airline				10,500	1	2.41%
Oracle Corp.	Hardware and Software				6,750	3	1.55%
Visa USA/Visa International	Global Payments Technology				3,500	6	0.80%
Mills-Peninsula Health Services	Health Care				2,500	8	0.57%
<b>Total</b>		<b>51,930</b>		<b>12.34%</b>	<b>53,078</b>		<b>12.18%</b>



Source: San Francisco Business Times - 2024 Book of Lists.  
San Francisco Business Times-Confirmation Email.  
California Employment Development Department

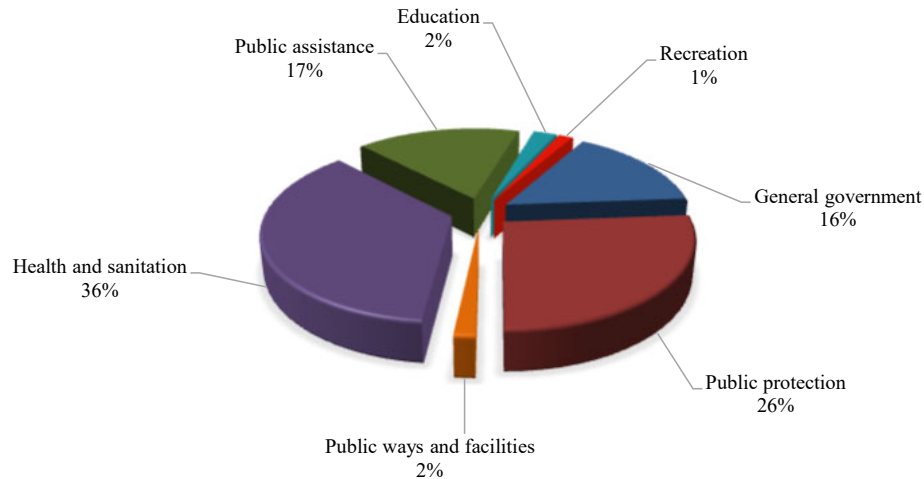
Notes:

<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>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General government	706	746	762	796	811	866	863	863	867	922
Public protection	1,531	1,545	1,581	1,606	1,621	1,592	1,603	1,591	1,574	1,573
Public ways and facilities	85	92	86	86	86	87	87	87	87	92
Health and sanitation	1,906	1,961	1,955	1,976	2,011	2,015	2,002	2,024	2,090	2,151
Public assistance	915	921	924	924	928	939	938	943	965	995
Education	109	110	109	111	111	113	116	122	136	141
Recreation	57	64	68	71	72	74	74	75	75	85
Total full-time equivalent employees <sup>1</sup>	5,309	5,439	5,485	5,570	5,640	5,686	5,683	5,705	5,794	5,959

**Full-time Equivalent County Employees by Function**  
**As of June 30, 2024**



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 2022-2023**

Function <sup>1</sup>	Fiscal Year <sup>2</sup>	
	2022	2023
<b>General Government</b>		
<i>County Executive's Office</i>		
Issuer credit rating from Moody's/Standard & Poor's	Aaa/AAA	Aaa/AAA
<i>County Attorney's Office</i>		
Percent of post-litigation survey respondents rating services as very satisfied or mostly satisfied	100%	100%
Percent of employees completing annual training in diversity or equity	100%	100%
<i>Treasurer Tax Collector</i>		
Dollar earnings in County pool due to investments	\$69M	\$150M
<b>Public Protection</b>		
<i>District Attorney</i>		
Number of elder abuse cases referred to the DAO for criminal charges	959	750
Number of referred criminal cases that involve victims who are people of color	4,350	3,000
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general jurisdiction	16,437	16,000
Number of client complaints		
Relationship issues	85	84
Performance issues	39	40
<i>Sheriff's Office</i>		
Forensic Laboratory		
Average number of days to analyze sexual assault kits with qualifying DNA profiles and enter in CODIS	111	108
Patrol Bureau		
Average response time for priority one calls	5 mins	5 mins
Percent of domestic violence calls successfully referred to intervention programs	100%	100%
Investigations Bureau		
Annual clearance rates of violent crimes	n/a	63%
Homeland Security		
Number of hours donated by Sheriff's Office volunteers	31,712	32,000
Correctional Facility		
Percent of inmates working with in-custody case managers	85%	87%
<i>Probation Department</i>		
Adult and Juvenile Services		
Percent of offenders successfully completing probation	80%	70%
<i>Coroner's Office</i>		
Average cost per investigation	\$2,712	\$3,337
Percent of cases closed within 90 days	85%	57%
Percent of staff who complete a diversity or unconscious-bias training	63%	88%
<b>Public Ways and Facilities</b>		
<i>Department of Public Works</i>		
Community Services		
Use of non-traditional or innovative applications in transportation network projects	3	3
Percent of staff meeting the annual training target of 20 hours (including equity training)	89%	60%
Engineering Services		
Use of non-traditional or innovative applications in transportation network projects	3	3
Construction Services		
Increase the percentage productivity rate of Construction Services (CSS) staff	42%	65%
Utilities		
Percent of streetlights repaired in ten working days	99%	95%
Airports		
Utilize technology to track aircraft flight paths and adherence with noise abatement procedures	99%	92%
<b>Health and Sanitation</b>		
<i>Health System</i>		
Health Services		
Life expectancy (age)	85	85
Health Administration		
Number and percent staff participation in racial equity training	928	1004
Public Health, Policy and Planning		
Percent of HIV clients with undetectable viral load	96%	92%
Health Coverage Unit		
<sup>3</sup> Percent of residents enrolled in ACE	3.3%	2.9%

Source: County's Recommended Budget for FY 2023-25

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 (continued)**  
**Fiscal Years 2022-2023**

Function <sup>1</sup>	Fiscal Year <sup>2</sup>	
	2022	2023
<b>Health and Sanitation</b>		
<i>Health System</i>		
Emergency Medical Services		
<sup>3</sup> Healthcare coalition members identified as small board and care facilities utilizing ReddiNet	30%	35%
Aging and Adult Services		
Percent of eligible AAS clients who have received COVID-19 vaccination	n/a	36%
Environmental Health Services		
Number of violations observed per Inspection	4.1	1.6
Behavioral Health and Recovery Administration		
Percent of newly onboarded staff will have completed the Cultural Humility 101 Training within 90 days of hire	n/a	60%
Mental Health Youth Services		
Percent of Medi-Cal youth population that enters treatment compared to benchmarks for similar populations	n/a	5%
Mental Health Adult Services		
Percent of Substance Use Disorder Medi-Cal population that enters into treatment compared to similar populations	n/a	2%
Alcohol and Other Drug Services		
Percent of Medi-Cal population by race that enters into treatment compared to benchmarks for similar populations	n/a	2%
Family Health Services		
Breastfeeding rate of WIC babies at 6-Months-old, San Mateo County	49%	51%
Correctional Health Services		
Incarcerated individuals diagnosed with a substance use disorder who are engaged in medication assisted treatment	20%	26%
San Mateo Medical Center (SMMC)		
Percent gap in controlled hypertension between black patients and SMMC average across all populations	0.4%	9.7%
Depression screening in SMMC's black/African American patients	n/a	12%
<b>Public Assistance</b>		
<i>First 5 San Mateo County</i>		
Number of clients served	9,861	9,500
<i>IHSS Public Authority</i>		
Percent of IHSS Registry providers who are proficient in the languages necessary to reduce/eliminate language gaps	n/a	45%
<i>Human Services Agency</i>		
Key Performance Measures		
Staff participation in racial equity training	24%	73%
Vocational Rehabilitation Services (VRS)		
Number of clients served by VRS	556	460
Homeless and Safety Net Services		
Number of clients served by Core Service agencies	45,742	44,000
Community Capacity		
Number of clients served by the County Veterans Services Office	2,499	2,500
<i>Department of Child Support Services</i>		
Social Services		
<sup>3</sup> Current Child Support collected	70%	70%
Cases with a Child Support order	94%	94%
Cases with a payment towards arrears	72%	72%
Children in caseload with paternity established or acknowledged compared to births in the County	103%	103%
<i>Department of Housing</i>		
Housing & Community Development		
Households that have remained sheltered and/or stably housed through Federal assisted programs (e.g. CDBG/ESG)	21,121	20,000
Percent of housing voucher utilization	92%	89%
Housing Authority		
Family self-sufficiency program participants exiting the voucher program with increased economic self-sufficiency	78	15
<b>Recreation</b>		
<i>Parks &amp; Recreation</i>		
Reservations made by individuals residing in disadvantaged communities	4%	5%
Interpretative programs offered to disadvantaged communities	57%	55%
Total acreage of fire fuel reduced	396	275
<i>Coyote Point Marina</i>		
Percent of berths filled	78%	74%

Source: County's Recommended Budget for FY 2023-25

n/a - not applicable

<sup>1</sup> Functions/programs operated 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>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><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b><u>Governmental Activities:</u></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
Corporation 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	5	7	7	7	8
Parking structures	2	2	2	2	2	1	2	2	2	2
<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	3	3	3	2	2	2	2	2
Youth services center	1	1	1	1	1	1	1	1	1	1
<b>Public ways and facilities</b>										
Road										
Pavement (miles)	315.80	316.10	316.20	316.23	316.23	316.16	316.16	316.32	316.32	316.32
Bridges	33	33	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	2	6	6	6	6	6	6
Lighted Crosswalks	6	6	8	6	14	14	16	18	18	18
Radar Feedback signs	11	11	14	11	22	24	24	24	24	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	21	21	21	21	21	21
Storage capacity (thousands of gallons)	710	710	710	850	850	850	850	850	850	850
Lighting										
Street lights	2,194	2,194	2,197	2,197	2,197	2,199	2,202	2,203	2,203	2,206
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	7.7	0 <sup>1</sup>	0	0	0	0
<b>Health and sanitation</b>										
Warehouse	2	2	2	2	2	1	1	1	1	1
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	1	3	3	3	4	4	4	4
<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	1	1	1	1
Homeless Shelter	1	2	2	2	2	2	5	5	5	6
Mental Health Center	-	-	-	-	1	1	1	1	1	1
<b>Recreation</b>										
Parks	19	20	20	20	20	23	24	24	24	24
<b><u>Business-type Activities:</u></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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