

COUNTY OF SAN MATEO, CALIFORNIA
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023



Juan Raigoza, Controller

County of San Mateo, California

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023



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Controller

**COUNTY OF SAN MATEO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2023**

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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
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January 5, 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, 2023 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, 2023. 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 737,644 residents live in the suburban corridor east of the Santa Cruz Mountains, which bisect the County. The western part of the County remains primarily rural and has some of California's most beautiful coastline.

The County performs a dual role that differs from cities. Cities generally provide services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. Similarly, the County provides these city-type services for residents who do not live 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 January 17, 2023. 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. 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 monies contributed 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 also requires departments to maintain reserves at a minimum of 2% of their net appropriation; General Fund reserves shall be maintained at a minimum of 5% of total General Fund net appropriations; appropriations for contingencies shall be maintained at 3% of total General Fund net appropriations; a minimum reserve of \$2 million shall be maintained for capital improvements; and there shall be a minimum \$2 million in reserves for County-wide automation projects.

Budget

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority and certain other special revenue funds, the County 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 object level (e.g., salaries and benefits) within a budget unit in a fund. Budgets are enacted into law through the passage of resolutions for appropriations and financing means. These resolutions set the County's limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County 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.

Economic and Financial Outlook

Global economic growth, measured by Gross Domestic Product (GDP), is projected per the International Monetary Fund (IMF) to increase 3.0% for 2023. The 2022 growth rate was 3.5% while the 2024 rate is forecasted to be 2.9%. The United States' GDP is forecasted to increase by 2.1% in 2023, which is same as the growth rate in 2022. A U.S. growth rate of 1.5% is projected for 2024 according to the IMF. The global GDP growth rate is expected to remain flat while the U.S. GDP growth rate is expected to go down.

Prices of goods and services have recently increased throughout the world. Per U.S. Bureau of Labor Statistics, the San Francisco Bay Area Consumer Price Index (CPI) grew 2.9% for the year-ended June 2023, down from 6.8% for the year-ended June 2022. 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 October 2023, the County's unemployment rate was 3.2% (the lowest rate among California's 58 counties), higher than its 2% rate for October 2022. The County's rate is lower than both the State's rate of 4.8% and the U.S. rate of 3.9% for October 2023.

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

County-wide assessed property values increased by 8.3% to \$290.4 billion in fiscal year (FY) 2022-23. Property values experienced their thirteenth consecutive year of record growth in FY 2023-24, the current in-progress year, in which the total value (as of lien date of January 1, 2023) of assessed properties within the County increased by 6.9% to \$308 billion. This increased the County-wide multi-jurisdictional property tax revenue base to \$3.08 billion for FY 2023-24. 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 months the growth in home prices appear to have slowed. The doubling, since 2021, of 30-year home mortgage interest rates to about 7% is reducing the ability and demand to purchase homes.

The median sales price paid for a Bay Area single-family home in October 2023 was \$1,268,940, an increase of 5.7% from \$1,200,000 in October 2022. Within the County, the median single-family home price in October 2023 was \$1,940,000, an increase of 7.1% from \$1,810,500 in October 2022. The County's median condominium home price decreased 1.3% to \$910,000 in October 2023 from \$921,750 in October 2022.

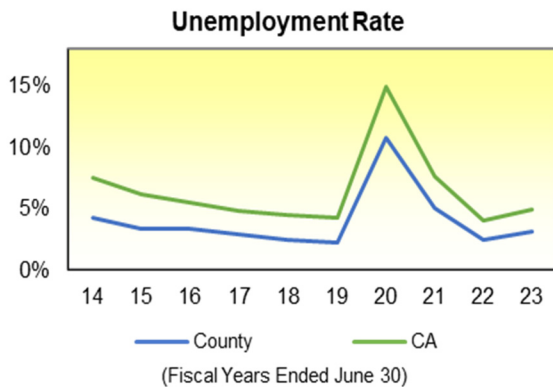
Local office and other commercial properties' vacancy rates and leasing rates are indicators of the overall demand for commercial space, business activity, and general economy within the County. Overall, the local office commercial real estate market appears to be holding steady. The average asking rate to lease office space in the County increased 5.5%, from \$6.13 per square foot for the quarter ended September 2022 to \$6.47 for quarter ended September 2023. Meanwhile, the County's vacancy rate for office space increased to 8.9% for quarter ended September 2023, from 8.6% for quarter ended September 2022.

Total property values for FY 2024-25, with a lien date of January 1, 2024, and associated property taxes are expected to grow but not by as much as in recent prior years.

Factors Affecting Economy

Employment

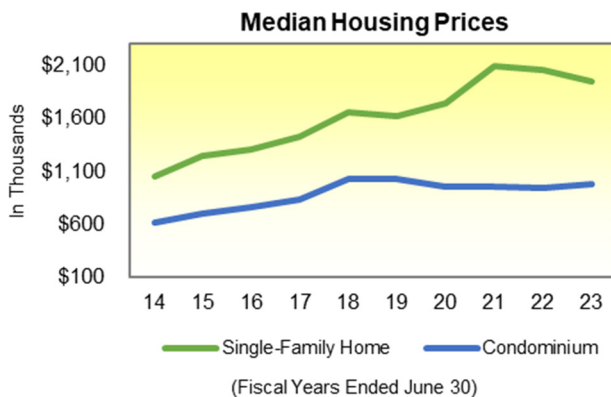
- County had 14,000 unemployed residents as of June 2023, up from 10,900 in June 2022.
- County’s unemployment rate was 3.1% for June 2023, up from 2.4% in June 2022. California’s rate was 4.9% as of June 2023.
- Among California’s 58 counties, the County recorded the lowest unemployment rate as of June 2023.



Source: California Employment Development Department

Residential Property

- County’s median single-family house price dropped by 4.9% to \$1,950,000 in June 2023 from \$2,050,000 in June 2022.
- County’s median condominium price increased by 4.5% to \$985,000 in June 2023 from \$940,000 in June 2022.



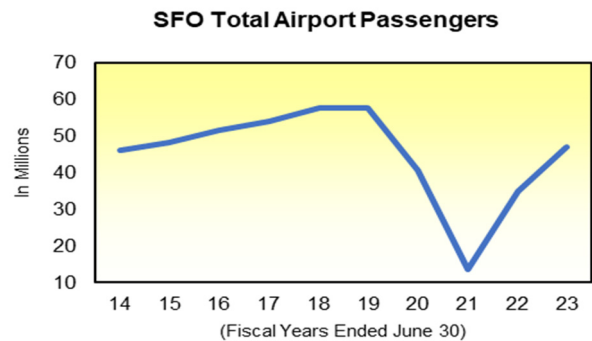
Source: San Mateo County Association of Realtors, based on statistics of MLSListings, Inc.

Commercial Property

- County’s office vacancy rate for quarter ended June 2023 was at 8.5%, lower than 9.2% for June 2022 and lower than 11.5% for June 2021. It increased to 8.9% for quarter ended September 2023.
- Average asking rate to lease office space in the County increased to \$6.53 per square foot per month for quarter ended June 2023 from \$5.97 for June 2022. It decreased slightly to \$6.47 for quarter ended September 2023.

Tourism

- San Francisco Airport’s total passenger volume increased 35% to 47.1 million for year ended June 2023, up from 34.9 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 increased by 8.9% to \$23.9 billion for year ended June 2023, up from \$21.9 billion for year ended June 2022, and \$17.7 billion for year ended June 2021.

Median Family Income & Per Capita Income

- County’s estimated median family income was \$179,788 for 2022 (latest data), a 14.3% increase from \$157,287 for 2021.
- County’s per capita personal income, the highest among California’s 58 counties, increased to \$175,070 in 2022 (latest data), a 0.2% increase from \$174,688 in 2021.

Long-Term Financial Planning

Employees' Retirement Plan and Other Postemployment Benefits (OPEB)

As of June 30, 2023, the County's net pension liability was \$693.3 million up from prior year's \$99.6 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 88.5% as of June 30, 2023, down from prior year's 98.2%. The decreased funded ratio in the current financial reporting year is mainly due to decreases in the amount of investment income (due to a net decrease in the fair value of investments) compared to the prior year. Contributions from the County to the pension plan totaled \$235.9 million in FY 2022-23.

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, 2023, the County contributed \$24.3 million to the Retiree Health Plan. Using a discount rate of 5.75%, the plan's funded ratio was 84.3% as of June 30, 2023, down from prior year's 103.8%. The County's total net OPEB liability was \$68.4 million as of June 30, 2023, up from prior year's OPEB asset of \$14.8 million. The current year's increase in net OPEB liability for financial reporting purposes is mainly due to decreases in the amount of investment income compared to the prior year.

Infrastructure

The County is investing significantly in County buildings and other infrastructure. During FY 2022-23, the County's capital assets (land, buildings, equipment, etc.) net of depreciation increased by \$258.8 million, mostly from construction of new buildings, some which remain in progress. The increase was primarily due to \$35.1 million for the Navigation Center, \$32.4 million for Health System Center Campus upgrade, \$48.2 million for Cordilleras Mental Health Facility, and \$61.5 million for County Office Building 3.

The Adopted Budget for FY 2023-24 includes a total of \$893 million for capital projects funded by bonds, General Fund, Measure K, and other funding sources. Major capital projects that are under construction in FY 2023-24 include the South San Francisco Health Campus, Radio Infrastructure improvements, County Office Building 1 remodel, Hall of Justice remodel, County Office Building 3, Health System Center Campus upgrade, Cordilleras Mental Health Facility, and Navigation Center projects.

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, 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.

Meeting the Future

While some current national and County level economic indicators are showing improvement others are not. Thirty-year home mortgage interest rates have doubled, from 2021, to the current rate of around 7%, which is constraining local homes sales and prices. On a positive note, the Bay Area's inflation rate (per Bay Area Consumer Price Index) has decreased to 2.8% for 12-month period ending October 2023 from its recent high of 6.8% for the year ending in June 2022.

Announced job losses by some local companies not only continued this last year, but are still ongoing, and will likely continue to 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 for companies to conduct business, should enable the local economy to maintain or improve its strength.

The County's unemployment rate of 3.2% as of October 2023 was the lowest among California's 58 counties. Due to the COVID-19 pandemic, the rate had peaked at 11.4% in April of 2020. While the percentage of County residents who are now employed is higher than in prior years, some local organizations find it challenging to recruit and hire employees.

Among other factors, the County's high housing costs make it difficult for lower-to-medium wage workers to live in the County. The County's median single-family house price increased by 5.7%, from the prior year, to \$1,940,000 as of October 2023.

With respect to the local commercial real estate market, the average leasing asking rates for office space have been hovering between \$6 and \$6.50 per square foot per month during the last three years. While vacancy rates for office space are down from their post-pandemic high, they are currently fluctuating (at 8.9% as of September 2023) but are still higher than pre-pandemic rates. Interestingly, per Collier's San Francisco Office Market Report for 3rd quarter of 2023, office vacancy rates in neighboring County/City of San Francisco, a large urban city, were at 26.9% as of September 2023 - much higher than in San Mateo County. These higher than historical vacancy rates in the County, Bay Area, and in most of the U.S. reflect the shift in behavior, such as increased teleworking and hybrid work schedules, caused by the pandemic. This lasting impact is affecting larger urban cities greater than smaller more suburban cities and counties.

Property values as of January 1, 2023, the current in-progress tax year (FY 2023-24), increased by 6.9%. The slowdown in residential and commercial property markets is likely to reduce the growth rate of next year's (FY 2024-25), compared to prior years, total annual countywide assessed property values and tax revenues received by local government agencies.

The countywide taxable sales base increased by 8.9% in FY 2022-23, to a new all-time high of \$23.9 billion. The associated sales tax revenues distributed by the State to local government agencies went down over a two-year period due to the pandemic but have subsequently increased in each of the last two years.

Total passenger volume at the San Francisco International Airport increased by 35% to 47.1 million passengers for the year ended June 2023. 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 in volume is having a positive impact on the local economy.

As noted earlier, the County has several major capital projects underway to replace aging infrastructure that will cost hundreds of millions in one-time construction costs, and in on-going operational and maintenance expenditures. The FY 2023-24 budget includes \$893 million for capital projects. The County's AAA credit rating allows it to finance capital projects at relatively low interest rates. Expenditures for on-going operations and investments in capital project will continue to require robust budget planning to protect the County's long-term financial health and its ability to provide essential services to residents.

Awards and Acknowledgements

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its fiscal year ended June 30, 2022 Annual Comprehensive Financial Report (ACFR). This was the twenty-third 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, 2023, continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2022. 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,



Juan Raigoza
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of San Mateo
California**

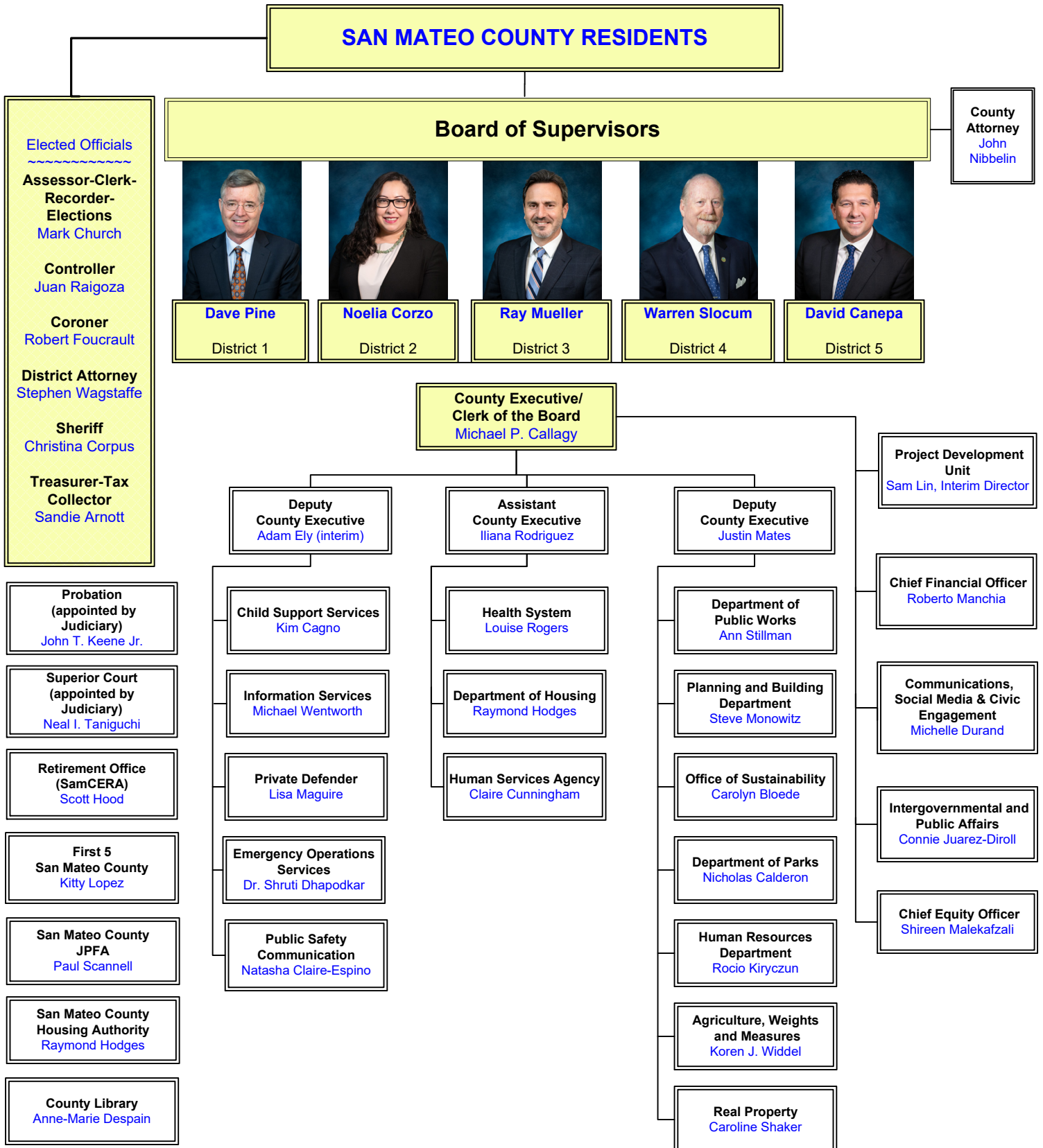
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

COUNTY OF SAN MATEO
Organization Chart
 June 30, 2023



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 (Interim)
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, 2023, 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, 2023, 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 and deferred outflows of resources, net positions/fund balances, and revenues/additions of the following opinion units as of and for the fiscal year ended June 30, 2023.

Opinion Unit	Assets and Deferred Outflows of Resources	Net Position / Fund Balances	Revenues / Additions
Business-type activities	17%	40%	27%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	53%	54%	5%
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*.

Emphasis of Matter

As discussed in Note 2G. to the financial statements, effective July 1, 2022, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 January 5, 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
January 5, 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, 2023

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, 2023. 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 2022-23 by \$4.2 billion (*net position*):

- \$1,174.3 million represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets (*net investment in capital assets*). These capital assets are used to provide services to citizens and are not available for future spending.
- \$381.7 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*).
- \$2,598.2 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$685.9 million to \$4.2 billion over the year. The positive change in County's net position indicates that the financial position of the County is improving.

- \$691.8 million increase in net position was derived from governmental activities with \$183.1 million increase predominantly from property and other taxes, \$126.7 million increase from unrestricted interest and investment earnings, and \$71.1 million decrease from expenses for general government.
- \$5.9 million decrease in net position was derived from business-type activities with \$8.3 million decrease from the Medical Center, and \$3.5 million increase from the Housing Authority.

Fund financial position

The County's governmental funds reported combined fund balances of \$2.6 billion at the close of fiscal year, an increase of \$302.7 million compared to the prior year fund balance. About \$2.1 billion (sum of assigned and unassigned fund balances) of this amount, or 79.2%, is available for spending at the County's discretion.

Capital assets and debt administration

The County's *capital assets* increased \$258.8 million to \$1,702.3 million with \$1,614.1 million for the governmental activities and \$88.2 million for the business-type activities. The increase was mainly from \$218.9 million increase in construction in progress, \$27.0 million increase in structure and improvements from hotel acquisitions for homeless shelters, \$11.1 million increase in land from hotel acquisitions, and \$2.3 million increase in infrastructure from the Higgins Canyon Road Slipout and Encina Avenue Reconstruction Project.

The County's total outstanding *long-term debt*, (including lease revenue bonds, leases payable, subscriptions payable, notes payable, and other long-term obligations) decreased \$31.9 million to \$750.2 million. The decrease was mainly due to the scheduled payment for outstanding debt totaling \$22.7 million. In addition, the County issued 2023A Bond for \$31.2 million (\$26.3 million in par value and \$4.9 million in bond premium) to refund 2013 Bonds of \$30.4 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, 2023

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, 2023

The County maintains 19 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 34-99 of this report.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023

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 100-120 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 121-164 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)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Current and other assets	\$ 3,565,734	\$ 3,194,880	\$ 336,052	\$ 396,401	\$ 3,901,786	\$ 3,591,281	\$ 310,505	9%
Lease assets	49,636	61,519	31,163	33,726	80,799	95,245	(14,446)	-15%
Subscription assets	8,005	-	542	-	8,547	-	8,547	n/a
Capital assets	1,614,138	1,356,701	88,207	86,807	1,702,345	1,443,508	258,837	18%
Total assets	5,237,513	4,613,100	455,964	516,934	5,693,477	5,130,034	563,443	11%
Deferred outflows of resources	652,190	494,301	120,433	89,195	772,623	583,496	189,127	32%
Long-term liabilities	790,776	811,778	161,782	213,694	952,558	1,025,472	(72,914)	-7%
Lease liabilities	51,871	62,573	33,011	34,693	84,882	97,266	(12,384)	-13%
Subscription liabilities	7,269	-	542	-	7,811	-	7,811	n/a
Net pension liability	553,002	53,963	140,331	45,646	693,333	99,609	593,724	596%
Net OPEB liability	55,391	-	13,027	547	68,418	547	67,871	12408%
Other liabilities	408,750	429,388	20,876	19,801	429,626	449,189	(19,563)	-4%
Total liabilities	1,867,059	1,357,702	369,569	314,381	2,236,628	1,672,083	564,545	34%
Deferred inflows of resources	45,004	463,890	30,372	109,377	75,376	573,267	(497,891)	-87%
Net position:								
Net investment in capital assets	1,089,895	889,020	84,379	82,842	1,174,274	971,862	202,412	21%
Restricted	380,203	422,106	1,455	1,837	381,658	423,943	(42,285)	-10%
Unrestricted	2,507,542	1,974,683	90,622	97,692	2,598,164	2,072,375	525,789	25%
Total net position	\$ 3,977,640	\$ 3,285,809	\$ 176,456	\$ 182,371	\$ 4,154,096	\$ 3,468,180	\$ 685,916	20%

Analysis of Net Position. The County’s net position increased \$685.9 million, or 20%, to \$4.2 billion at June 30, 2023.

Governmental Activities increased the County’s net position by \$691.8 million, or 21.1% to \$4.0 billion.

Total assets increased \$624.4 million, or 14%, to \$5.2 billion. The significant changes in assets occurred in the following areas:

- *Cash and investments* increased by \$292.8 million. This increase was due to increase in receipts from property tax.
- *Receivables and other receivables* increased \$13.6 million primarily due to \$17.5 million increase in interest receivable, \$14.5 million increase in net mortgage receivable, and \$12.3 million decrease in taxes receivable.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023

- *Lease receivable* decreased \$1.1 million due to amortization of leases in the current year.
- *Due from other governmental agencies* increased \$84.8 million primarily due to increase in excess Educational Revenue Augmentation Fund (ERAF) and Vehicle License Fee (VLF) shortfall due to the County.
- *Lease assets* decreased \$11.9 million due to amortization of leases in the current year.
- *Capital assets* increased by \$257.4 million. The significant changes occurred in the following areas:
 - \$215.3 million increase in construction in progress resulted from \$61.5 million for *County Office Building 3*, \$48.2 million for *Cordilleras Mental Health Facility*, \$32.4 million for the *Health System Center Campus Upgrade*, \$35.1 million for *San Mateo County Navigation Center*, and \$19.0 million for *Maguire Office Building Renovations*.
 - \$28.5 million increase in structure and improvements from hotel acquisitions for homeless shelters.
 - \$11.1 million increase in land from hotel acquisitions for homeless shelters.
 - \$3.1 million increase in software from completion of modules for the Assessor Property Assessment System (APAS) totaling \$5.7 million, offset by \$3.3 million depreciation expense.
 - \$2.3 million increase in infrastructure from the Higgins Canyon Road Slipout and Encina Avenue Reconstruction Project.
 - \$2.8 million net decrease in equipment from current year's depreciation expense.

Total liabilities increased \$509.4 million, or 38% to \$1.9 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* increased \$499.0 million or 925% to \$553.0 million. This increase is due to changes in economic or demographic assumptions as part of the measurements, and changes in fair market value of investments.
- *Net OPEB liability* increased by \$55.4 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 liabilities* decreased by \$10.7 million to \$51.9 million due to amortization of leases in the current year.
- *Long-term liabilities* decreased by \$27.4 million to \$649.6 million. The decrease was due to \$58.7 million decrease from normal debt payments made on lease revenue bonds and the refunding of the outstanding 2013 Refunding and Capital Project Series A Bonds, offset by the issuance of the 2023 Series A Lease Revenue Bonds (\$31.3 million including bond premiums).
- *Due to governmental agencies* increased \$8.9 million to \$49.9 million. The increase was due to increase in intergovernmental transfers to the State in the current fiscal year.
- *Unearned revenues* increased by \$14.6 million to \$233.8 million. The increase was due to \$12.1 million cash advance for American Rescue Plan Act (ARPA) funding.

Business-type Activities decreased the County's net position by \$5.9 million, or 3% to \$176.5 million.

Total assets decreased \$61.0 million, or 12%, to \$456.0 million. The decrease was primarily caused by the following:

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023

- The *Medical Center's total assets* decreased \$67.4 million. The significant changes are discussed below:
 - \$75.4 million decrease in cash and cash equivalents due to timing of disbursements to other governmental agencies.
 - \$4.8 million increase in dues from other governmental agencies.
- The *Housing Authority's total assets* increased \$3.5 million primarily due to \$0.6 million increase in ground lease receivable and \$0.2 million increase in Mercy-middlefield notes receivable, as well as an increase in interest receivable on various notes.

Total liabilities increased \$55.2 million, or 18%, to \$369.6 million. The increase was primarily due to the following:

- The *Medical Center's total liabilities* increased \$49.9 million. The significant changes are discussed below:
 - Increase of \$108.4 million in net pension and OPEB liabilities.
 - Decrease of \$42.1 million in due to government agencies.
 - Decrease of \$7.3 million in accrued salaries and benefits.
- *Housing Authority's total liabilities* increased \$0.1 million due to \$0.3 million increase in deferred revenue loan interest.

The Medical Center's net position decreased \$8.3 million, or 12%, to \$63.7 million. See explanations on pages 12-13.

The Housing Authority's net position increased \$3.5 million, or 5%, to \$70.3 million. See explanations on page 13.

Airports net position decreased \$0.1 million and Coyote Point Marina's net position decreased \$1.7 million.

The **County's total net position** increased by \$685.9 million, or 20%, to \$4.2 billion as of June 30, 2023. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

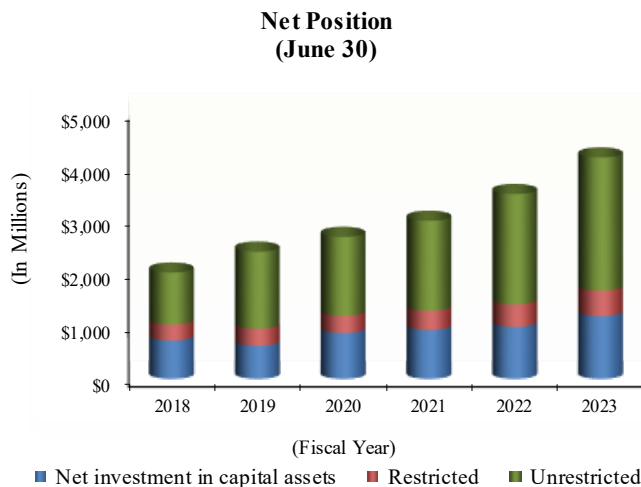
- 28%, or \$1,174.2 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These 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 \$381.7 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.
- 63%, or \$2,598.2 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, 2023

Change in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Revenues:								
Program revenues:								
Charges for services	\$ 260,816	\$ 261,207	\$ 496,854	\$ 504,802	\$ 757,670	\$ 766,009	\$ (8,339)	-1%
Operating grants and contributions	723,151	782,230	2,777	11,072	725,928	793,302	(67,374)	-8%
Capital grants and contributions	100	-	5,725	4,294	5,825	4,294	1,531	36%
Total program revenues	984,067	1,043,437	505,356	520,168	1,489,423	1,563,605	(74,182)	-5%
General revenues:								
Property taxes	932,073	763,379	-	-	932,073	763,379	168,694	22%
Other taxes	184,118	169,694	-	-	184,118	169,694	14,424	9%
Unrestricted interest and investment earnings	69,362	(57,313)	1,322	(3,231)	70,684	(60,544)	131,228	217%
Miscellaneous	57,777	47,287	3,821	3,231	61,598	50,518	11,080	22%
Total general revenues	1,243,330	923,047	5,143	-	1,248,473	923,047	325,426	35%
Total revenues	2,227,397	1,966,484	510,499	520,168	2,737,896	2,486,652	251,244	10%
Expenses:								
Program expenses:								
General government	165,065	236,202	-	-	165,065	236,202	(71,137)	-30%
Public protection	491,388	414,152	-	-	491,388	414,152	77,236	19%
Public ways and facilities	30,115	25,938	-	-	30,115	25,938	4,177	16%
Health and sanitation	448,120	442,737	-	-	448,120	442,737	5,383	1%
Public assistance	311,497	281,337	-	-	311,497	281,337	30,160	11%
Recreation	23,291	21,895	-	-	23,291	21,895	1,396	6%
Interest on long-term liabilities	24,246	28,402	-	-	24,246	28,402	(4,156)	-15%
San Mateo Medical Center	-	-	418,537	397,777	418,537	397,777	20,760	5%
Airports	-	-	5,108	4,635	5,108	4,635	473	10%
Coyote Point Marina	-	-	1,372	1,661	1,372	1,661	(289)	-17%
Housing Authority	-	-	133,240	130,654	133,240	130,654	2,586	2%
Total expenses	1,493,722	1,450,663	558,257	534,727	2,051,979	1,985,390	66,589	3%
Excess (deficiency) before special item and transfers	733,675	515,821	(47,759)	(14,559)	685,916	501,262	184,654	37%
Transfers	(41,844)	(48,290)	41,844	48,290	-	-	-	n/a
Change in net position	691,831	467,531	(5,915)	33,731	685,916	501,262	184,654	37%
Net position - beginning	3,285,809	2,818,278	182,371	148,640	3,468,180	2,966,918	501,262	17%
Net position - ending	\$ 3,977,640	\$ 3,285,809	\$ 176,456	\$ 182,371	\$ 4,154,096	\$ 3,468,180	\$ 685,916	20%

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
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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 \$691.8 million to \$4.0 billion for the fiscal year ended June 30, 2023. This was predominantly from increases in property taxes and unrestricted interest and investment earnings.

Analysis of Governmental Activities - Revenues

Program Revenues accounted for 44.2% of the County's overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues decreased \$59.4 million, or 6%, from the prior year. The significant changes included the following:

- *Operating grants and contributions* decreased \$59.1 million, or 7.6%, to \$723.2 million. The decrease was primarily due to \$29.8 million decrease due to Homekey grant received in the prior year and \$10.6 million decrease in spend down for Epidemiology and Laboratory Capacity grant.

General Revenues increased \$320.3 million, or 34.7%, from the prior year. General revenues accounted for 55.8% of the County's overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* increased \$168.7 million, or 22.1%, to \$932.1 million. The significant changes included the following:
 - \$27.4 million increase due to increase in secured property tax assessed valuations which is at 8.7% countywide in FY 2022-23.
 - \$22.9 million increase in excess ERAF due to higher property taxes.
 - \$13.1 million decrease is due to the change in methodology for distributing monies from former redevelopment agencies pursuant to a recent court decision (City of Chula v. Sandoval Third Court of Appeal 49 Cal.App.5th 539).
 - \$124.7 million increase is due to increase in Vehicle License Fee (VLF) amount from the growth in property valuation and additional amount related to FY 2021 not yet reimbursed from the States.
 - \$4.8 million increase in passthrough payments due to change in property tax assessed value changes.
- *Other Tax Revenues* increased \$14.4 million, or 8.5%, to \$184.1 million primarily due to increase in sales and use taxes.
- *Unrestricted Interest and Investment Earnings* increased \$126.7 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 \$10.5 million, or 22.2%, to \$57.8 million due primarily to \$5.5 million increase in funding from Tobacco Settlement, \$1.3 million increase from refund of Middlefield Junction escrow closing statement.

Analysis of Governmental Activities – Expenses

Expenses for *General government* decreased by \$71.1 million, or 30.1%. This decrease was mainly due to decrease in salaries and benefits in response to the COVID-19 pandemic and return of rental assistance funds to the state in the prior year.

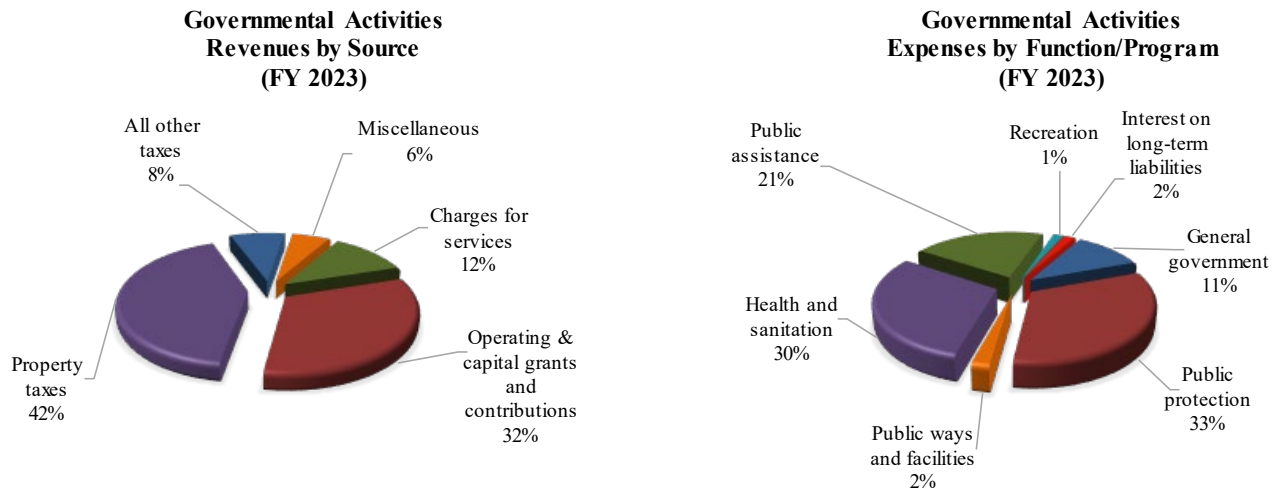
Expenses for *Public protection* increased by \$77.2 million, or 18.7%. The increase was primarily due to \$16.2 million increase in the Maguire Office Building Renovation, \$9.9 million increase in salaries and benefits, \$5.2 million increase in contracted fire services, and increase in pension expense.

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Expenses for *Health and sanitation* increased by \$5.4 million, or 1.2%. The increase was primarily due to \$3.8 million increase for building acquisition and \$2.7 million for amenities of the Cordilleras Mental Health Facility.

Expenses for *Public assistance* increased by \$30.2 million, or 10.7%. The increase was primarily due to \$9.2 million for the Middlefield Junction project, \$3.8 million increase in expenses related to emergency housing vouchers, and increase in Medi-Cal caseloads.

For the fiscal year ended June 30, 2023, revenues and expenses for governmental activities are as follows:



Transfers out to business-type activities decreased \$6.4 million, or 13.4% due to decrease in general fund distribution to the medical center.

Business-type Activities. The net position for business-type activities decreased \$5.9 million to \$176.5 million. This was mainly from \$8.3 million decrease from the Medical Center, \$3.5 million increase from the Housing Authority, \$0.1 million decrease from the Airports, and \$1.7 million decrease from Coyote Point.

Analysis of Business-type Activities – Revenues and Expenses

Medical Center. The net position of Medical Center decreased \$8.3 million, or 12%, to \$63.7 million.

The Medical Center’s net operating loss decreased \$32.2 million, or 107%, to \$62.8 million. The significant changes included the following:

- \$39.9 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.
- \$6.0 million increase in net patient service revenues due to the resumed non-emergency services.
- \$1.8 million increase in premium revenues due primarily to a return to payment levels similar to years prior to fiscal year 2021.
- \$15.3 million decrease in other operating revenues due primarily from settlements received in fiscal year 2022 related to prior year Waiver funding and reduced risk of revenues from the Quality Incentive Pool (QIP).
- \$8.1 million increase in salaries and benefits due primarily to annual cost of living adjustments.

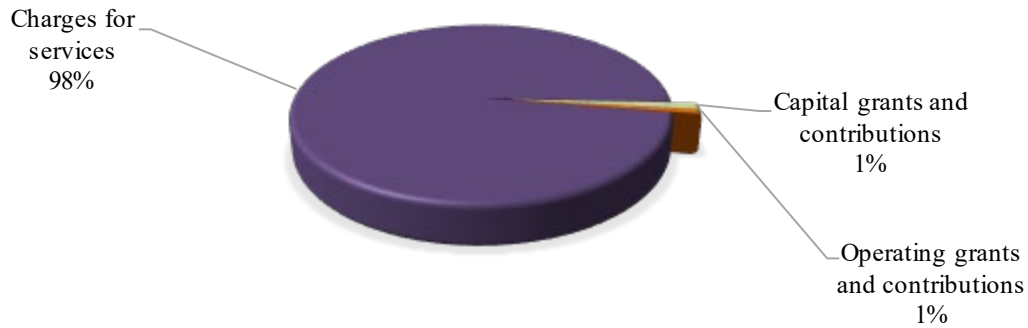
COUNTY OF SAN MATEO
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- \$19.5 million increase in pension and OPEB expenses due to the results of an actuarial analysis performed under the provisions of GASB Statement Nos. 68 and 75.
- \$9.5 million decrease in other general expenses due to back payments for contracted nursing services, and increased Medicare Acute Care Episode (ACE) program claims payment and payment to contractor operating the Skilled Nursing Facility.

Housing Authority. The net position of the Housing Authority increased \$3.5 million, or 5%, to \$70.3 million. The increase was primarily due to increase in revenues from Moving to Work, Housing Choice Vouchers, and local funds.

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

**Program Revenues by Source
 Business-type Activities
 (FY 2023)**



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.

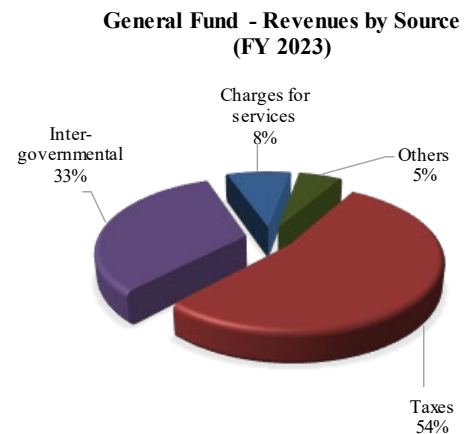
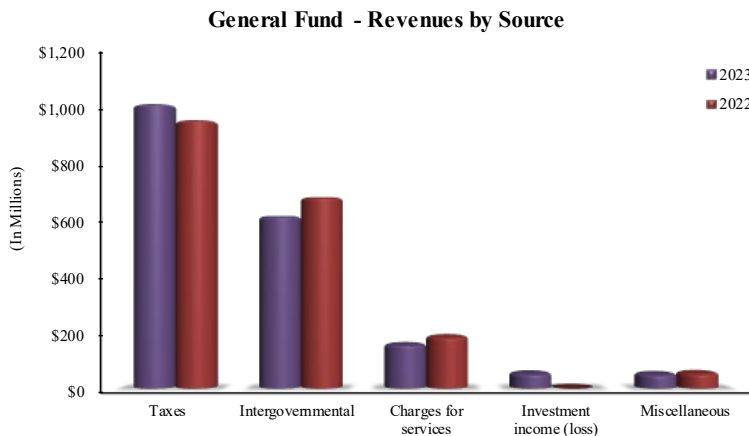
As of June 30, 2023, the County’s governmental funds reported combined fund balances of \$2.6 billion at year-end, an increase of \$302.7 million, or 13.13%, compared to the prior fiscal fund balance. Approximately 79.2% of the combined amount, or \$2.1 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$541.1 million is nonspendable and restricted, including \$25.7 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$515.4 million restricted for specific purposes.

The *General Fund* is the primary operating fund of the County. At June 30, 2023, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$1.9 billion with total fund balance at \$2.1 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 129.2% of total fund expenditures, and total fund balance represents 145.9% of total fund expenditures. The overall fund balance in the General Fund has increased \$311.1 million during the current fiscal year. For the fiscal years ended June 30, 2023 and 2022, revenues for the General Fund are distributed as follows:

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General Fund - Revenues by Source
(In Thousands)

Revenues by Source	FY 2023		FY 2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 1,029,391	54%	\$ 971,105	52%	\$ 58,286	6%
Licenses and permits	8,166	0%	7,926	0%	240	3%
Intergovernmental	623,311	32%	691,655	37%	(68,344)	-10%
Charges for services	158,203	8%	187,301	10%	(29,098)	-16%
Fines, forfeitures, and penalties	3,899	0%	7,248	0%	(3,349)	-46%
Rents and concessions	2,620	0%	2,539	0%	81	3%
Investment income (loss)	53,726	3%	(47,657)	-3%	101,383	-213%
Other	36,524	2%	37,464	2%	(940)	-3%
Total	\$ 1,915,840	100%	\$ 1,857,581	100%	\$ 58,259	3%



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

Taxes increased by \$58.3 million, or 6%. The increase was due to increase in tax revenue from secured and unsecured property tax, countywide sales and use tax, transient occupancy tax, property tax in lieu of vehicle license fees, and vehicle rental business license tax.

Intergovernmental revenue decreased by \$68.3 million, or 10%. The decrease was primarily due to \$29.8 million decrease from State Homekey drawdown and American Rescue Plan Act (ARPA) drawdowns for hotel acquisitions of homeless shelters, \$10.1 million decrease in spend down for Epidemiology and Laboratory Capacity grant, \$5.8 million decrease in Federal and State grants for Election Cybersecurity and Voter Education Outreach funding, \$4.9 million decrease from decline in Medi-Cal caseloads, \$4.7 million decrease in funding for road projects, and \$2.3 million decrease from completion of Whole Person Care Pilot.

Charges for services decreased by \$29.1 million, or 16%. The decrease was due to \$22.0 million in Short-Doyle cost settlements and Medi-Cal caseloads collected after the period of availability, \$5.7 million decrease in Short-Doyle cost settlements, \$1.8 million decrease from state apportionment for inmate intake no longer being received from the State, and \$1.8 million decrease in document recordings because of higher interest rates in real estate market.

Fines, Forfeitures, and Penalties decrease by \$3.3 million, or 46%. The decrease primarily due to a reduction of court fines and fees.

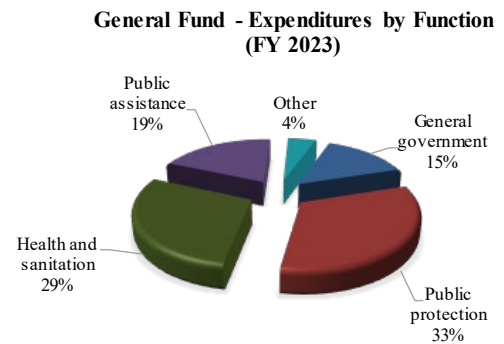
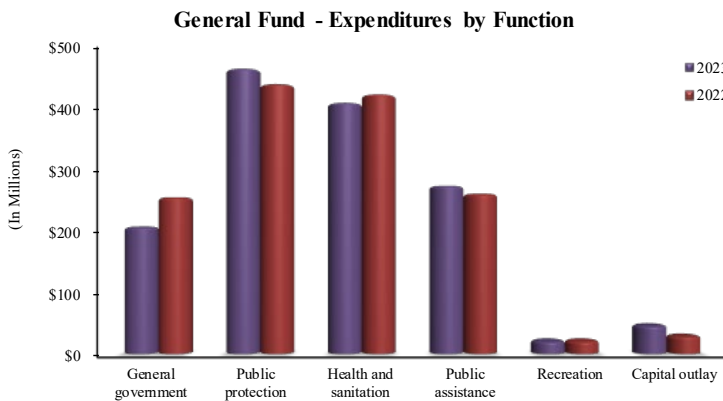
Investment income (loss) increased by \$101.3 million. See explanations on page 11.

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Management’s Discussion and Analysis (Continued)
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For the fiscal years ended June 30, 2023 and 2022, expenditures for the General Fund are distributed as follows:

General Fund - Expenditures by Function
 (In Thousands)

Expenditures by Function	FY 2023		FY 2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 209,576	15%	\$ 258,567	18%	\$ (48,991)	-19%
Public protection	471,961	33%	446,475	31%	25,486	6%
Health and sanitation	415,320	29%	429,338	30%	(14,018)	-3%
Public assistance	277,614	19%	264,541	18%	13,073	5%
Recreation	21,194	1%	21,343	1%	(149)	-1%
Capital outlay	46,761	3%	29,280	2%	17,481	60%
Total	\$1,442,426	100%	\$1,449,544	100%	\$ (7,118)	0%



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

Expenditures for *General Government* decreased by \$49.0 million, or 19%. See explanations on page 11.

Expenditures for *Public Protection* increased by \$25.5 million, or 6%. The increase was primarily due to \$11.6 million increase in salaries and benefits, \$2.5 million increase in Private Defender Program contract services, and \$2.1 million increase in contracted fire services.

Expenditures for *Health and Sanitation* decreased by \$14.0 million, or 3%. See explanations on page 12.

Expenditures for *Public Assistance* increased by \$13.1 million, or 5%. The increase was primarily due to \$9.2 million increase in the Middlefield Junction project.

Capital Outlay increased by \$17.5 million, or 60%. The increase was primarily due to the Maguire Office Building Renovation.

Joint Powers Financing Authority is a major governmental fund. During FY 2022-23, JPFA’s fund balance decreased \$81.9 million to \$134.4 million. The decrease was primarily due to increase in capital project expenditures \$32.4 million increase from *San Mateo County Health Campus Upgrade* and \$47.9 million increase from *Cordilleras Mental Health Facility*.

COUNTY OF SAN MATEO
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Nonmajor governmental funds experienced a \$73.6 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 \$4.8 million to \$137.2 million. The significant change was mainly due to increase in investment income. See explanations on page 11.

Capital Projects Fund. The overall fund balance for capital project funds increased \$68.5 million to \$201.0 million mainly due to \$63.1 million transfer to fund the Electronic Health Records project.

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 \$6.7 million, with decrease of \$4.8 million from major enterprise funds which included \$8.3 million decrease from Medical Center and \$3.5 million increase from Housing Authority. The remaining decrease 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 stayed the same as last year. Overall, this fund operated at nearly break-even.

Coyote Point Marina Fund's net position decreased \$1.7 million to \$6.6 million. This was due to the Marina Dredging project.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's final budget exceeded the original budget by \$14.2 million, or 0.7%, for the fiscal year ended June 30, 2023. 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 2022-23, the General Fund budget realized a total of \$14.2 million unanticipated revenues primarily from the following:

- \$3.1 million from Future of Public Health funding from the California Department of Public Health (CDPH) for strengthening Public Health infrastructure to respond to COVID-19 to continue to provide core Public Health functions, enhance public safety and prevention, address gaps identified by the pandemic, and build emergency response surge needs.
- \$1.7 million from Realignment Sales Tax to cover Drugs and Pharmaceuticals purchase due to rising market costs.
- \$1.3 million from additional facility service charge revenue to recover increased utility costs at the San Mateo Medical Center (SMMC).
- \$2.8 million from Measure K funds: \$1.0 million for the Half Moon Bay Farmworker Housing Project; \$0.8 million for the Fire Engine Replacement Fund to support purchasing of new fire apparatus; \$0.5 million for the acquisition of the Cloverdale Ranch property for the permanent protection of open space; and \$0.5 million for the grant agreement with United Hope Builders, Inc. to establish and operate a modular housing manufacturing plant in East Palo Alto.
- \$1.0 million from the County One-Time Expense Fund to fund the Employee Down Payment Assistance Program.
- \$0.9 million from Urban Area Security Initiative (UASI) funds to provide resources for unique equipment, training, planning, and exercise needs of national high threat urban areas.
- \$3.4 million from other sources for various purpose.

COUNTY OF SAN MATEO
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Actual General Fund revenues were below budgeted by \$128.5 million, or 6.4%. Revenues from intergovernmental agencies were below anticipated projections by \$150.2 million, while other financing sources were \$5.1 million lower than budget. Actual tax revenues were higher than the total budgeted by \$110.9 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 \$84.0 million lower than expected, primarily from \$24.2 million increase in use of money and property, \$20.4 million decrease in charges for services, and \$86.9 million decrease in interfund revenues mainly from the elimination of interfund revenue between governmental funds.

Actual General Fund expenditures were below budgeted by \$1,251.2 million, or 42.5%. The unspent appropriations can be found in the following areas:

- \$375.6 million unspent appropriations in contingencies resulted from prudent long-term financial planning.
- \$223.6 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 San Mateo Medical Center, Cordilleras Mental Health Facility, and County Office Building 3.
- \$201.1 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 Coyote Point, Flood, Huddart, Memorial, Quarry, and San Pedro parks, as well as park wide fire fuel mitigation efforts and department specific information technology (IT) projects, such as the Property Tax replacement project.
- \$159.0 million unspent appropriations in salaries and benefits due primarily to unfilled positions throughout many departments.
- \$217.8 million unspent appropriations in other charges due primarily to Housing project contributions, carryforward Measure K appropriations for district discretionary initiatives, and service charges not expended.
- \$94.3 million unspent appropriations in capital assets due to County wide equipment purchases not yet made, delayed capital acquisitions, and Measure K funded replacement of fire apparatus and safety equipment.

The overall unspent appropriation discussed above was offset by unrealized *intrafund transfers* (reimbursements from General Fund departments) of \$20.2 million.

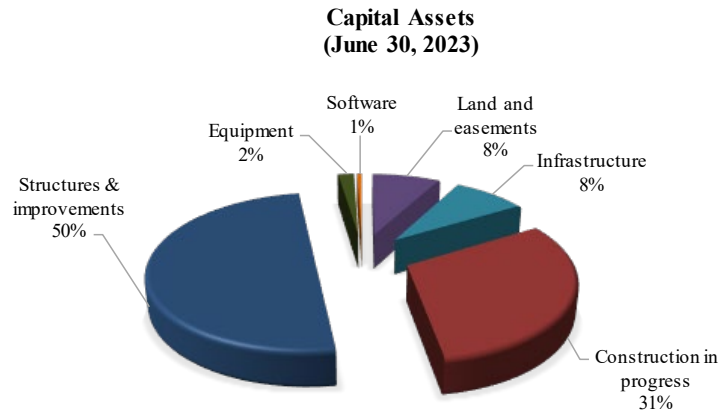
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County’s investment in capital assets increased \$258.8 million, or 18%, to \$1,702.3 million (net of accumulated depreciation). The investment includes land and easements, infrastructure, construction in progress, structures and improvement, equipment, and software. The County’s capital assets as of June 30, 2023 and 2022, are comprised of the following:

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Land and easements	\$ 119,221	\$ 108,093	\$ 14,989	\$ 14,989	\$ 134,210	\$ 123,082	\$ 11,128	9%
Infrastructure	144,370	142,102	-	-	144,370	142,102	2,268	2%
Construction in progress	518,786	303,518	12,469	8,832	531,255	312,350	218,905	70%
Structures and improvements	804,072	775,567	47,383	48,867	851,455	824,434	27,021	3%
Equipment	20,921	23,704	10,777	10,744	31,698	34,448	(2,750)	-8%
Software	6,768	3,717	2,589	3,375	9,357	7,092	2,265	32%
Total	\$ 1,614,138	\$ 1,356,701	\$ 88,207	\$ 86,807	\$ 1,702,345	\$ 1,443,508	\$ 258,837	18%

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Management’s Discussion and Analysis (Continued)
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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 100.

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. The total cost incurred during FY 2022-23 is \$32.4 million.
 - *County Office Building 3.* County Office Building 3 (COB3) will contain five levels of offices and meeting space that will accommodate 500 County employees. This property will house the Board of Supervisors Chambers, offices for the Board of Supervisors and the County Executive as well as staff for various departments of the County. Construction is expected to be completed by early 2024. The estimated project cost is \$230 million. The total cost incurred during FY 2022-23 is \$61.5 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 first quarter of 2025. The estimated project cost is \$160 million. The total cost incurred during FY 2022-23 is \$48.2 million
 - *San Mateo County Navigation Center.* The San Mateo County Navigation Center will provide 240 safe, private, temporary living units to unsheltered individuals and couples. The Center, which will provide intensive on-site support services including case management, medical assistance, and dental care, is a key part of the County plan to shelter every person who chooses assistance. The project’s target budget is \$57 million. The total cost incurred during FY 2022-23 is \$35.1 million.

Lease / Subscription assets. The County’s investment in lease/subscription assets decreased \$14.4 million, or 15%, to \$80.8 million (net of accumulated amortization) due to amortization in the current year. The County’s investment in subscription assets increase \$8.5 million, or 100%, to \$8.5 million (net of accumulated amortization) due to implementation of GASB statement No. 96 as of July 1, 2022. The County’s lease and subscription assets as of June 30, 2023 comprised of the following:

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

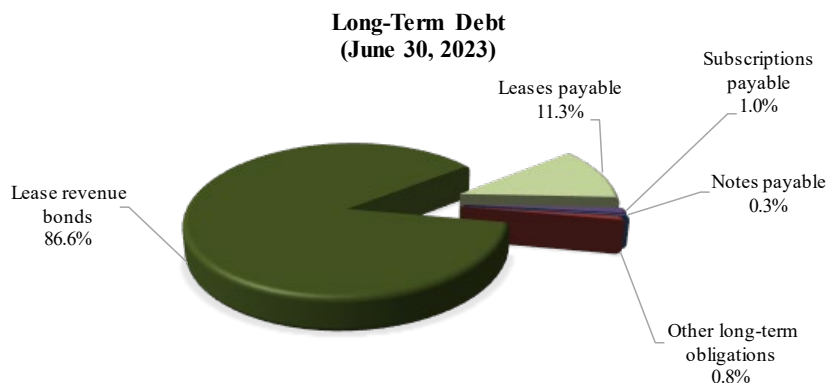
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Buildings	\$ 49,636	\$ 61,506	\$ 31,163	\$ 33,649	\$ 80,799	\$ 95,155	\$ (14,356)	-15%
Equipment	-	13	-	77	-	90	(90)	-100%
Subscription	8,005	-	542	-	8,547	-	8,547	n/a
Total	\$ 57,641	\$ 61,519	\$ 31,705	\$ 33,726	\$ 89,346	\$ 95,245	\$ (5,899)	-6%

Long-Term Debt. The County’s total debt decreased \$31.9 million, or 4%, to \$750.2 million as of June 30, 2023. The decrease was due from decrease of \$27.4 million decrease from normal debt payments made on lease revenue bonds and the refunding of the outstanding 2013 Refunding and Capital Project Series A Bonds, offset by the issuance of the 2023 Series A Lease Revenue Bonds. As indicated in the table below, the County’s total debt is primarily comprised of \$649.6 million in lease revenue bonds, \$84.9 million in leases payable, \$7.8 million in subscriptions payable, \$2.0 million in notes payable, and \$5.9 million in other long-term obligations.

Long-Term Debt
 (In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 649,638	\$ 677,050	\$ -	\$ -	\$ 649,638	\$ 677,050	\$ (27,412)	-4%
Leases payable	51,871	62,573	33,011	34,693	84,882	97,266	(12,384)	-13%
Subscriptions payable	7,269	-	542	-	7,811	-	7,811	n/a
Notes payable	-	-	1,980	2,059	1,980	2,059	(79)	-4%
Other long-term obligations	3,787	3,944	2,079	1,795	5,866	5,739	127	2%
Total	\$ 712,565	\$ 743,567	\$ 37,612	\$ 38,547	\$ 750,177	\$ 782,114	\$ (31,937)	-4%

The County’s debts as of June 30, 2023, are distributed as follows:



Additional information on the County’s long-term debt can be found in Note 9 on pages 68-73 of this report.

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

- **Issuance of the 2023 Series A Refunding Lease Revenue Bonds.** In April 2023, the County issued 2023 Series A Lease Revenue Bonds (Refunding Bonds) (the “2023A Bonds”) for a total of \$26.3 million with an interest rate of 5% and a bond premium of \$4.9 million. Together with other available moneys, the proceeds of the 2023A Bonds totaling \$31.3 million were used to refund the outstanding 2013 Bonds and pay costs of issuance. On the refunding date of the 2013 Bonds, certain bonds are not callable until July 2023. Thus, the proceeds were deposited into an

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2023

escrow account to redeem the 2013 Bonds on July 15, 2023. In July 2023, the County paid its scheduled outstanding principal amount of \$0.6 million plus interest to fully retire the 2013 Bonds.

- *Scheduled Retirement of Outstanding Debt.* Apart from the above refunding, the County retired a total of \$22.1 million in principal payment, \$3.5 million decrease in bond premiums amortized, and \$0.6 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 2022-23 was \$152.0 million. The amount applicable to the debt service limit was \$49.5 million, which was \$102.5 million, or 67.4%, 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 2022-23.

- As of June 2023, the unemployment rate in San Mateo County was 3.1%, although the rate rose to a preliminary figure of 3.2% in October 2023.
- With the close of the FY 2022-23 assessment rolls, net secured property (real property) value was assessed at an increase of 8.3% from FY 2021-22.
- Commercial rents have continued to improve slowly. The average asking rent price for office space was at \$6.47 per square foot in the third quarter of 2023, an increase of 8.2% over the third quarter of 2022.
- The County's taxable sales are projected to increase over FY 2023-24. For FY 2022-23, sales taxes were up by 11.8% as compared to FY 2021-22. The County projected a 5% increase in sales tax, a 5% increase in Measure K Half Cent Sales Tax and a 2.8% decrease in Public Safety Sales Tax in FY 2022-23.

In September 2023, the County Board adopted the budget of \$4.4 billion for FY 2023-24. In December 2023, the County Board approved an adjustment to the budget to increase capital expenditures by \$408 million. The final budget adopted was \$4.8 billion for FY 2023-24.

REQUEST FOR INFORMATION

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

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

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



Basic Financial Statements -
Government-Wide Financial Statements

COUNTY OF SAN MATEO
Statement of Net Position
June 30, 2023
(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2022)
ASSETS					
Cash and investments	\$ 2,893,389	\$ 37,791	\$ 2,931,180	\$ 13,722	\$ 590,619
Restricted cash and investments	40,014	1,720	41,734	-	300
Receivables (net)	253,861	32,775	286,636	113	52,608
Lease receivable	4,979	24,075	29,054	-	4,019
Due from other governmental agencies	345,840	192,376	538,216	1,228	157,582
Inventories	435	5,592	6,027	-	-
Prepays and other assets	16,231	10,573	26,804	-	10,318
Internal balances	2,446	(2,446)	-	-	-
Notes/Loans receivable	8,539	33,596	42,135	-	-
Net OPEB asset	-	-	-	213	-
Capital assets:					
Nondepreciable	738,785	27,458	766,243	-	15,668
Depreciable, net	875,353	60,749	936,102	-	45,310
Lease assets, net of accum amort	49,636	31,163	80,799	192	-
Subscription assets, net of accum amort	8,005	542	8,547	-	-
Total assets	<u>5,237,513</u>	<u>455,964</u>	<u>5,693,477</u>	<u>15,468</u>	<u>876,424</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized losses on refunding debts	10,171	-	10,171	-	-
Pension related	568,836	104,174	673,010	855	5,434
OPEB related	73,183	16,259	89,442	96	-
Total deferred outflows of resources	<u>652,190</u>	<u>120,433</u>	<u>772,623</u>	<u>951</u>	<u>5,434</u>
LIABILITIES					
Accounts payable	95,364	30,073	125,437	1,589	3,592
Payable from restricted cash and investments	-	265	265	-	-
Accrued interest payable	7,624	152	7,776	-	-
Accrued salaries and benefits	21,363	4,147	25,510	30	-
Accrued liabilities	611	340	951	-	219,387
Due to other governmental agencies	49,927	125,202	175,129	-	174,363
Unearned revenues	233,848	1,602	235,450	61	-
Deposits	13	1	14	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	553,002	140,331	693,333	1,076	5,070
Net OPEB liability - due beyond one year	55,391	13,027	68,418	-	-
Lease revenue bonds - due within one year	29,679	-	29,679	-	-
Lease revenue bonds - due beyond one year	619,959	-	619,959	-	-
Lease liabilities - due within one year	11,526	1,879	13,405	90	-
Lease liabilities - due beyond one year	40,345	31,132	71,477	125	-
Subscription liabilities - due within one year	3,649	293	3,942	-	-
Subscription liabilities - due beyond one year	3,620	249	3,869	-	-
Notes payable - due within one year	-	83	83	-	-
Notes payable - due beyond one year	-	1,897	1,897	-	-
Other long-term obligations - due within one year	160	-	160	-	-
Other long-term obligations - due beyond one year	3,627	2,079	5,706	-	-
Estimated claims - due within one year	22,325	-	22,325	-	-
Estimated claims - due beyond one year	37,908	-	37,908	-	-
Compensated absences - due within one year	48,557	13,467	62,024	51	-
Compensated absences - due beyond one year	28,561	3,350	31,911	126	-
Total liabilities	<u>1,867,059</u>	<u>369,569</u>	<u>2,236,628</u>	<u>3,148</u>	<u>402,412</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized gain on refunding debts	1,991	-	1,991	-	-
Pension related	233	42	275	-	8
OPEB related	42,702	9,478	52,180	206	-
Lease related	78	20,852	20,930	-	3,936
Total deferred inflows of resources	<u>45,004</u>	<u>30,372</u>	<u>75,376</u>	<u>206</u>	<u>3,944</u>
NET POSITION					
Net investment in capital assets	1,089,895	84,379	1,174,274	-	60,978
Restricted for:					
Public assistance	208,315	1,455	209,770	-	-
Road and sanitation	135,839	-	135,839	-	-
Debt service	25,540	-	25,540	-	-
Other purposes	10,509	-	10,509	213	300
Unrestricted	2,507,542	90,622	2,598,164	12,852	414,224
Total net position	<u>\$ 3,977,640</u>	<u>\$ 176,456</u>	<u>\$ 4,154,096</u>	<u>\$ 13,065</u>	<u>\$ 475,502</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, 2023
(In Thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary government				
Governmental activities:				
General government	\$ 165,065	\$ 79,731	\$ 84,206	\$ 100
Public protection	491,388	58,135	192,994	-
Public ways and facilities	30,115	3,605	28,861	-
Health and sanitation	448,120	111,216	184,594	-
Public assistance	311,497	6,231	232,457	-
Recreation	23,291	1,898	39	-
Interest on long-term liabilities	24,246	-	-	-
Total governmental activities	1,493,722	260,816	723,151	100
Business-type activities:				
San Mateo Medical Center	418,537	358,845	2,632	5,725
Airports	5,108	4,397	145	-
Coyote Point Marina	1,372	1,492	-	-
Housing Authority	133,240	132,120	-	-
Total business-type activities	558,257	496,854	2,777	5,725
Total primary government	\$ 2,051,979	\$ 757,670	\$ 725,928	\$ 5,825
Component units:				
First 5 San Mateo County	\$ 6,592	-	\$ 6,496	-
Health Plan of San Mateo	\$ 865,321	\$ 969,027	-	-
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, 2023
(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, 2022)
\$ (1,028)	\$ -	\$ (1,028)		
(240,259)	-	(240,259)		
2,351	-	2,351		
(152,310)	-	(152,310)		
(72,809)	-	(72,809)		
(21,354)	-	(21,354)		
(24,246)	-	(24,246)		
<u>(509,655)</u>	<u>-</u>	<u>(509,655)</u>		
-	(51,336)	(51,336)		
-	(566)	(566)		
-	120	120		
-	(1,120)	(1,120)		
<u>-</u>	<u>(52,902)</u>	<u>(52,902)</u>		
<u>(509,655)</u>	<u>(52,902)</u>	<u>(562,557)</u>		
			\$ (96)	
				\$ 103,706
932,073	-	932,073	-	-
9,663	-	9,663	-	-
155,103	-	155,103	-	-
4,837	-	4,837	-	-
1,616	-	1,616	-	-
12,899	-	12,899	-	-
69,362	1,322	70,684	350	7,750
57,777	3,821	61,598	-	3,668
(41,844)	41,844	-	-	-
<u>1,201,486</u>	<u>46,987</u>	<u>1,248,473</u>	<u>350</u>	<u>11,418</u>
<u>691,831</u>	<u>(5,915)</u>	<u>685,916</u>	<u>254</u>	<u>115,124</u>
<u>3,285,809</u>	<u>182,371</u>	<u>3,468,180</u>	<u>12,811</u>	<u>360,378</u>
<u>\$ 3,977,640</u>	<u>\$ 176,456</u>	<u>\$ 4,154,096</u>	<u>\$ 13,065</u>	<u>\$ 475,502</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, 2023
(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 2,322,120	\$ 133,105	\$ 365,781	\$ 2,821,006
Restricted cash and investments	-	9,289	30,725	40,014
Receivables (net):				
Accounts	2,168	-	114	2,282
Interest	42,027	696	2,732	45,455
Taxes	22,636	-	863	23,499
Mortgages	159,638	-	-	159,638
Other	21,124	-	3	21,127
Lease receivable	4,979	-	-	4,979
Due from other funds	4,937	-	645	5,582
Due from other governmental agencies	334,950	-	8,073	343,023
Loan receivable	8,539	-	-	8,539
Prepaid items	6,400	515	575	7,490
Inventories	37	-	306	343
Advances to other funds	7,747	-	-	7,747
Total assets	<u>\$ 2,937,302</u>	<u>\$ 143,605</u>	<u>\$ 409,817</u>	<u>\$ 3,490,724</u>
LIABILITIES				
Accounts payable	\$ 58,371	\$ 9,066	\$ 27,241	\$ 94,678
Accrued salaries and benefits	20,982	-	326	21,308
Accrued liabilities	611	-	-	611
Due to other funds	878	157	2,671	3,706
Due to other governmental agencies	49,927	-	-	49,927
Unearned revenues	233,055	-	793	233,848
Deposits	-	-	13	13
Advances from other funds	-	-	6,018	6,018
Total liabilities	<u>363,824</u>	<u>9,223</u>	<u>37,062</u>	<u>410,109</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	464,853	-	3,638	468,491
Lease related	4,900	-	-	4,900
Total deferred inflows of resources	<u>469,753</u>	<u>-</u>	<u>3,638</u>	<u>473,391</u>
FUND BALANCES				
Nonspendable	24,308	515	881	25,704
Restricted	215,910	133,867	165,650	515,427
Assigned	7,396	-	202,674	210,070
Unassigned	1,856,111	-	(88)	1,856,023
Total fund balances	<u>2,103,725</u>	<u>134,382</u>	<u>369,117</u>	<u>2,607,224</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,937,302</u>	<u>\$ 143,605</u>	<u>\$ 409,817</u>	<u>\$ 3,490,724</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, 2023
(In Thousands)

Fund balances - total governmental funds (page 24) \$ 2,607,224

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.	650,395
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(44,789)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,605,511
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	49,636
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	8,005
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.	473,391
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.	31,384
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.	(7,622)
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	\$ (649,638)
Leases payable	(51,871)
Subscriptions payable	(7,269)
Other long-term obligations	(3,787)
Compensated absences	(76,920)
Net pension liability	(550,911)
Net OPEB liability	(55,099)
	(1,395,495)

Net position of governmental activities (page 21) **\$ 3,977,640**

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, 2023
(In Thousands)

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 1,029,391	\$ -	\$ 28,549	\$ 1,057,940
Licenses and permits	8,166	-	3,592	11,758
Intergovernmental	623,311	-	98,752	722,063
Charges for services	158,203	-	62,218	220,421
Fines, forfeitures and penalties	3,899	-	830	4,729
Rents and concessions	2,620	-	69	2,689
Investment income	53,726	7,175	6,770	67,671
Other revenues	36,524	202	8,607	45,333
Total revenues	<u>1,915,840</u>	<u>7,377</u>	<u>209,387</u>	<u>2,132,604</u>
Expenditures:				
Current:				
General government	209,576	80	807	210,463
Public protection	471,961	-	4,088	476,049
Public ways and facilities	-	-	28,047	28,047
Health and sanitation	415,320	-	29,723	445,043
Public assistance	277,614	-	32,273	309,887
Recreation	21,194	-	-	21,194
Capital outlay	46,761	80,264	124,738	251,763
Debt service:				
Principal	-	22,674	157	22,831
Interest	-	26,868	58	26,926
Bond issuance costs	-	113	-	113
Total expenditures	<u>1,442,426</u>	<u>129,999</u>	<u>219,891</u>	<u>1,792,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>473,414</u>	<u>(122,622)</u>	<u>(10,504)</u>	<u>340,288</u>
Other financing sources (uses):				
Issuance of refunding bonds	-	26,345	-	26,345
Bond premium	-	4,949	-	4,949
Payment to refunded bonds escrow agent	-	(31,145)	-	(31,145)
Leases	2,226	-	141	2,367
Subscriptions	1,761	-	-	1,761
Transfers in	29,788	40,553	157,240	227,581
Transfers out	(196,225)	-	(73,271)	(269,496)
Total other financing sources (uses)	<u>(162,450)</u>	<u>40,702</u>	<u>84,110</u>	<u>(37,638)</u>
Net change in fund balances	<u>310,964</u>	<u>(81,920)</u>	<u>73,606</u>	<u>302,650</u>
Fund balances - beginning	<u>1,792,761</u>	<u>216,302</u>	<u>295,511</u>	<u>2,304,574</u>
Fund balances - end	<u>\$ 2,103,725</u>	<u>\$ 134,382</u>	<u>\$ 369,117</u>	<u>\$ 2,607,224</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, 2023
(In Thousands)

Net change in fund balances - total governmental funds (page 26) \$ 302,650

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	\$ 294,855	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, and trade-ins	(903)	
Less current year amortization	(19,907)	
Less current year depreciation	<u>(35,288)</u>	238,757

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 200,079

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 19,387

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. 92,234

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. (26,345)

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. (4,949)

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	30,380	
Lease revenue bonds	22,674	
Leases and subscriptions	<u>19,475</u>	72,529

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	5,033	
Amortization and refunding of debt	(474)	
Deduction of deferred gains on issuance of debt	(1,020)	
Change in accrued interest payable	890	
Addition to accretion of capital appreciation bonds	(292)	
Deduction to accretion of capital appreciation bonds	911	
Change in other long-term liabilities	157	
Change in compensated absences	<u>(4,478)</u>	727

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 (204,245)

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 (3,938)

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. 4,945

Change in net position of governmental activities (page 23) \$ 691,831

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, 2023
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 4,778	\$ 25,628	\$ 7,385	\$ 37,791	\$ 72,383
Restricted cash and investments	-	1,720	-	1,720	-
Receivables (net):					
Accounts	25,371	231	77	25,679	1,254
Interest	1,014	225	58	1,297	606
Other	5,799	-	-	5,799	-
Lease receivable	-	61	41	102	-
Due from other funds	36	-	-	36	253
Due from other governmental agencies	191,141	1,235	-	192,376	2,817
Inventories	5,592	-	-	5,592	92
Notes receivable	-	5	-	5	-
Prepays and other assets	6,150	295	6	6,451	8,741
Total current assets	<u>239,881</u>	<u>29,400</u>	<u>7,567</u>	<u>276,848</u>	<u>86,146</u>
Noncurrent assets:					
Notes receivable	-	33,471	-	33,471	-
Loan receivable	120	-	-	120	-
Deposits	4,122	-	-	4,122	-
Lease receivable	-	23,973	-	23,973	-
Capital assets:					
Nondepreciable	12,525	5,970	8,963	27,458	-
Depreciable, net	30,210	2,325	28,214	60,749	8,627
Lease assets, net of accum amort	30,751	412	-	31,163	-
Subscription assets, net of accum amort	542	-	-	542	-
Total noncurrent assets	<u>78,270</u>	<u>66,151</u>	<u>37,177</u>	<u>181,598</u>	<u>8,627</u>
Total assets	<u>318,151</u>	<u>95,551</u>	<u>44,744</u>	<u>458,446</u>	<u>94,773</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	103,249	-	925	104,174	1,428
OPEB-related items	15,702	350	207	16,259	367
Total deferred outflows of resources	<u>118,951</u>	<u>350</u>	<u>1,132</u>	<u>120,433</u>	<u>1,795</u>
LIABILITIES					
Current liabilities:					
Accounts payable	29,590	337	146	30,073	686
Payable from restricted cash and investments	-	265	-	265	-
Accrued interest payable	68	-	84	152	2
Accrued salaries and benefits	3,716	391	40	4,147	55
Accrued liabilities	-	340	-	340	-
Due to other funds	2,093	-	17	2,110	55
Due to other governmental agencies	125,200	2	-	125,202	-
Unearned revenues	1,156	422	24	1,602	-
Deposits	-	-	1	1	-
Notes payable - current	-	1	82	83	-
Compensated absences - current	12,914	436	117	13,467	120
Lease liabilities - current	1,445	434	-	1,879	-
Subscription liabilities - current	293	-	-	293	-
Estimated claims - current	-	-	-	-	22,325
Total current liabilities	<u>176,475</u>	<u>2,628</u>	<u>511</u>	<u>179,614</u>	<u>23,243</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	785
Net pension liability	139,109	-	1,222	140,331	2,091
Net OPEB liability	12,468	412	147	13,027	292
Notes payable - noncurrent	-	30	1,867	1,897	-
Compensated absences - noncurrent	3,040	258	52	3,350	78
Lease liabilities - noncurrent	31,132	-	-	31,132	-
Subscription liabilities - noncurrent	249	-	-	249	-
Estimated claims - noncurrent	-	-	-	-	37,908
Other long-term liabilities - noncurrent	890	1,189	-	2,079	-
Total noncurrent liabilities	<u>187,832</u>	<u>1,889</u>	<u>3,288</u>	<u>193,009</u>	<u>41,154</u>
Total liabilities	<u>364,307</u>	<u>4,517</u>	<u>3,799</u>	<u>372,623</u>	<u>64,397</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	42	-	-	42	1
OPEB related	9,092	267	119	9,478	214
Lease related	-	20,813	39	20,852	-
Total deferred inflows of resources	<u>9,134</u>	<u>21,080</u>	<u>158</u>	<u>30,372</u>	<u>215</u>
NET POSITION					
Net investment in capital assets	40,909	8,242	35,228	84,379	8,627
Restricted:					
Housing assistance programs	-	1,455	-	1,455	-
Unrestricted	22,752	60,607	6,691	90,050	23,329
Total net position	<u>\$ 63,661</u>	<u>\$ 70,304</u>	<u>\$ 41,919</u>	<u>175,884</u>	<u>\$ 31,956</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				572	
Net position of business-type activities (page 21)				<u>\$ 176,456</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, 2023
(In Thousands)

	Business-type Activities - Enterprise Funds			Total	Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds		Internal Service Funds
Operating revenues:					
Charges for services	\$ 568,522	\$ -	\$ 1,614	\$ 570,136	\$ 172,686
Less:					
Contractual allowances	(401,907)	-	-	(401,907)	-
Provision for doubtful accounts	(2,866)	-	-	(2,866)	-
Net charges for services	163,749	-	1,614	165,363	172,686
Other program revenues:					
Supplemental programs	146,321	-	-	146,321	-
Premium revenues	11,110	-	-	11,110	-
Sales tax realignment	22,544	-	-	22,544	-
Other operating revenues:					
Rent and concessions	1,318	4,135	4,275	9,728	-
Revenue from housing assistance payments	-	127,985	-	127,985	-
Revenue from foundations	3,990	-	-	3,990	-
Sales of drugs and medical supplies, fees, and others	9,813	-	-	9,813	-
Miscellaneous	-	3,502	319	3,821	1,202
Total operating revenues	<u>358,845</u>	<u>135,622</u>	<u>6,208</u>	<u>500,675</u>	<u>173,888</u>
Operating expenses:					
Salaries and benefits	176,032	7,184	1,702	184,918	2,406
Pension expense	37,585	-	373	37,958	532
OPEB expense	847	137	11	995	20
Pharmaceutical drugs	14,354	-	-	14,354	-
Supplies	14,655	-	-	14,655	-
Contract provider services	95,640	-	-	95,640	-
Other fees and purchased services	67,569	-	-	67,569	-
General and administrative	9,099	8,338	3,399	20,836	17,300
Benefits and claims	-	-	-	-	24,541
Insurance premiums	-	-	-	-	122,137
Depreciation	3,435	465	977	4,877	2,871
Amortization	2,392	431	-	2,823	-
Housing assistance payments	-	116,685	-	116,685	-
Total operating expenses	<u>421,608</u>	<u>133,240</u>	<u>6,462</u>	<u>561,310</u>	<u>169,807</u>
Operating income (loss)	<u>(62,763)</u>	<u>2,382</u>	<u>(254)</u>	<u>(60,635)</u>	<u>4,081</u>
Nonoperating revenues (expenses):					
State and federal grants	-	-	145	145	-
Medi-Cal rate differential	(840)	-	-	(840)	-
Provider relief fund revenues	3,472	-	-	3,472	-
Loss from disposal of capital assets	(80)	-	-	(80)	-
Investment income	-	1,090	232	1,322	1,549
Interest expense	2,468	-	(91)	2,377	-
Total nonoperating revenues, net	<u>5,020</u>	<u>1,090</u>	<u>286</u>	<u>6,396</u>	<u>1,549</u>
Income (loss) before capital contributions and transfers	(57,744)	3,472	32	(54,240)	5,630
Capital contributions	5,725	-	-	5,725	-
Transfers in	65,153	-	-	65,153	115
Transfers out	(21,408)	-	(1,901)	(23,309)	(44)
Change in net position	<u>(8,274)</u>	<u>3,472</u>	<u>(1,869)</u>	<u>(6,671)</u>	<u>5,701</u>
Net position - beginning	<u>71,935</u>	<u>66,832</u>	<u>43,788</u>		<u>26,255</u>
Net position - end	<u>\$ 63,661</u>	<u>\$ 70,304</u>	<u>\$ 41,919</u>		<u>\$ 31,956</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				756	
Change in net position of business-type activities (page 23)				<u>\$ (5,915)</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, 2023
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash receipts from customers	\$ 311,825	\$ 155,869	\$ 6,253	\$ 473,947	\$ -
Cash receipts from interfund services provided	-	-	-	-	172,566
Cash paid to suppliers of goods and services	(208,142)	(5,421)	(3,360)	(216,923)	(139,974)
Cash paid to employees for services	(221,611)	(28,181)	(2,260)	(252,052)	(3,109)
Cash paid for housing assistance	-	(120,240)	-	(120,240)	-
Cash paid for judgments and claims	-	-	-	-	(22,456)
Net cash provided by (used in) operating activities	(117,928)	2,027	633	(115,268)	7,027
Cash flows from noncapital financing activities					
County subsidy transfers	65,153	-	-	65,153	-
Transfers received from other funds	-	-	-	-	115
Transfers paid to other funds	(21,408)	-	(1,901)	(23,309)	(44)
Loan repayment to other funds	(4,383)	-	-	(4,383)	-
Cash receipts from provider relief funds	3,472	-	-	3,472	-
State and federal grant receipts	-	-	145	145	-
Net cash provided by (used in) noncapital financing activities	42,834	-	(1,756)	41,078	71
Cash flows from capital and related financing activities					
Acquisition of capital assets	(8,629)	(101)	(51)	(8,781)	(1,514)
Capital contributions received	5,725	-	-	5,725	-
Principal paid on long-term debt	-	-	(79)	(79)	-
Interest paid on long-term debt	-	-	(94)	(94)	-
Cash paid on lease liability	(1,220)	(430)	-	(1,650)	-
Cash paid for interest on lease liability	-	(18)	-	(18)	-
Cash received on lease receivables	-	226	29	255	-
Cash received for interest on lease receivables	1,290	530	1	1,821	-
Net cash provided by (used in) capital and related financing activities	(2,834)	207	(194)	(2,821)	(1,514)
Cash flows from investing activities					
Principal received from loans and investments	-	5	-	5	-
Cash disbursed for loans	-	(214)	-	(214)	-
Investment gain/(loss)	2,468	-	-	2,468	(5)
Interest received from loans and investments	-	496	-	496	-
Investment income received	-	453	197	650	1,131
Net cash provided by (used in) investing activities	2,468	740	197	3,405	1,126
Net increase (decrease) in cash and cash equivalents	(75,461)	2,974	(1,120)	(73,607)	6,710
Cash and cash equivalents, beginning	80,239	24,374	8,505	113,118	65,673
Cash and cash equivalents, end	\$ 4,778	\$ 27,348	\$ 7,385	\$ 39,511	\$ 72,383
Financial statement presentation:					
Cash and investments	\$ 4,778	\$ 25,628	\$ 7,385	\$ 37,791	\$ 72,383
Restricted cash and investments	-	1,720	-	1,720	-
Cash and cash equivalents, end	\$ 4,778	\$ 27,348	\$ 7,385	\$ 39,511	\$ 72,383

(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, 2023
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo	Housing	Other	Total	Activities
	Medical Center	Authority	Enterprise Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (62,763)	\$ 2,382	\$ (254)	\$ (60,635)	\$ 4,081
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	5,827	896	977	7,700	2,871
Decrease (increase) in:					
Accounts receivable	13	(200)	2	(185)	(482)
Lease receivable	-	20,055	(1)	20,054	-
Other receivable	669	-	-	669	-
Due from other funds	466	-	9	475	(127)
Due from other governmental agencies	(4,836)	(43)	28	(4,851)	(54)
Inventories	(1,701)	-	-	(1,701)	21
Other assets	(1,056)	(466)	94	(1,428)	(659)
Deposits	(2,596)	-	-	(2,596)	-
Deferred outflows of resources	(31,208)	(20,750)	-	(51,958)	(296)
Increase (decrease) in:					
Accounts payable	(2,528)	(54)	(55)	(2,637)	(213)
Accrued salaries and benefits	(7,344)	75	(92)	(7,361)	(116)
Accrued liabilities	-	278	-	278	-
Due to other funds	-	-	2	2	(345)
Due to other governmental agencies	-	(80)	-	(80)	-
Unearned revenues	(198)	164	8	(26)	-
Refundable deposits	(42,078)	-	(3)	(42,081)	-
Net pension liability	93,811	-	836	94,647	1,226
Net OPEB liability	14,579	(135)	137	14,581	343
Compensated absences	865	38	(33)	870	4
Estimated claims	-	-	-	-	2,085
Deferred inflows of resources	(77,850)	(133)	(1,022)	(79,005)	(1,312)
Net cash provided by (used in) operating activities	<u>\$ (117,928)</u>	<u>\$ 2,027</u>	<u>\$ 633</u>	<u>\$ (115,268)</u>	<u>\$ 7,027</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, 2023
(In Thousands)

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash and investments (in County investment pool)	\$ 11,809	\$ 4,169,980	\$ 209,055	\$ 348,737
Cash and investments (outside County investment pool)	222,039	-	-	-
Receivables (net):				
Due from broker for investments sold	131,152	-	-	-
Contributions	3,106	-	-	-
Accounts	-	-	-	532
Interest	12,789	34,703	1,733	2,896
Securities lending income	35	-	-	-
Taxes, net	-	-	-	191,081
Other	3,020	-	-	4,266
Due from other governmental agencies	-	11,607	-	33,818
Prepaid expense	215	-	-	-
Investments:				
Fixed income	1,358,013	-	-	-
Equity	2,435,036	-	-	-
Alternatives	742,189	-	-	-
Inflation hedge	1,022,567	-	-	-
Liquidity	270,101	-	-	-
Capital assets, net	3,170	-	-	-
Lease assets, net	2,302	-	-	-
Other assets	-	52	-	32,217
Total assets	<u>6,217,543</u>	<u>4,216,342</u>	<u>210,788</u>	<u>613,547</u>
LIABILITIES				
Accounts payable	2,038	2,403	52	4,804
Due to broker for investments purchased	202,435	-	-	-
Due to other governmental agencies	-	2	149,186	4,805
Securities lending collateral due to borrowers	3,737	-	-	-
Lease liabilities	2,444	-	-	-
Other liabilities	1,847	11,687	12	242,093
Total liabilities	<u>212,501</u>	<u>14,092</u>	<u>149,250</u>	<u>251,702</u>
NET POSITION				
Restricted for:				
Pension benefits	6,005,042	-	-	-
Investment pool participants	-	4,202,250	-	-
Individuals, organizations and other governments	-	-	61,538	361,845
Total net position	<u>\$ 6,005,042</u>	<u>\$ 4,202,250</u>	<u>\$ 61,538</u>	<u>\$ 361,845</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, 2023
(In Thousands)

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Employer contributions	\$ 238,938	\$ -	\$ -	\$ -
Employer supplementary contributions	10,000	-	-	-
Plan member contributions	77,666	-	-	-
Contributions to investment pool	-	5,847,818	-	178,762
Contributions held on bequests	-	-	-	19,645
Property taxes collected for other governments	-	-	4,504,181	1,222,473
Total contributions	<u>326,604</u>	<u>5,847,818</u>	<u>4,504,181</u>	<u>1,420,880</u>
Net investment income:				
Net appreciation/depreciation in fair value of investments	253,088	(6,284)	-	-
Interest and investment income	133,336	208,400	3,618	9,259
Investment expense	(45,366)	-	-	-
Securities lending activities:				
Securities lending income	278	-	-	-
Securities lending expenses	(90)	-	-	-
Total net investment income	<u>341,246</u>	<u>202,116</u>	<u>3,618</u>	<u>9,259</u>
Total additions	<u>667,850</u>	<u>6,049,934</u>	<u>4,507,799</u>	<u>1,430,139</u>
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries:				
Service retirement benefits	266,317	-	-	-
Disability retirement benefits	30,197	-	-	-
Death and other benefits	2,420	-	-	-
Withdrawals of members' contributions	3,895	-	-	-
Beneficiary payments to individuals	-	-	-	28,909
Total benefits and refunds paid to plan members and beneficiaries	<u>302,829</u>	<u>-</u>	<u>-</u>	<u>28,909</u>
Distributions from investment pool	-	5,455,483	-	204,438
Property taxes distributed to other governments	-	-	4,542,914	1,224,078
Payments to other local governments	-	-	-	19,160
Administrative expenses	9,653	-	-	2,204
Interest expense	-	-	-	43,067
Total deductions	<u>312,482</u>	<u>5,455,483</u>	<u>4,542,914</u>	<u>1,521,856</u>
Change in net position	355,368	594,451	(35,115)	(91,717)
Net position - beginning	<u>5,649,674</u>	<u>3,607,799</u>	<u>96,653</u>	<u>453,562</u>
Net position - end	<u>\$ 6,005,042</u>	<u>\$ 4,202,250</u>	<u>\$ 61,538</u>	<u>\$ 361,845</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, 2023
(In Thousands)

NOTE 1 – THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

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

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

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

(b) Blended Component Units

San Mateo County Joint Powers Financing Authority

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

Housing Authority of the County of San Mateo

The Housing Authority of the County of San Mateo (Housing Authority), established pursuant to the State Health and Safety Code by the County Board, provides housing assistance to low and moderate-income families at rents they can afford. Eligibility is determined by family composition and income in areas served by the Housing Authority. Most of the housing programs administered by the Housing Authority are funded by contributions from the U.S. Department of Housing and Urban Development (HUD) pursuant to the United States Housing Act of 1937 and the HUD Act. The Housing Authority's Board of Commissioners is composed of the same members as the County Board. Decisions affecting the Housing Authority are addressed as part of the 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, 2023
(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

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023
(In Thousands)

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

(d) Component Unit – Fiduciary in Nature

San Mateo County Employees' Retirement Association

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-wide Financial Statements

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

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

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

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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(In Thousands)

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County also reports the following additional fund types:

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

These funds include:

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

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(In Thousands)

- *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*.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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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, 2023, 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 \$159.6 million, net of allowance of \$23.2 million, on the governmental funds balance sheet as of June 30, 2023.

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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 so will not be recognized as an outflow of resources (expense) until then. 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 Thousands)

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 so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to the unamortized 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.

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

The County is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction. The State legislature determines the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. For fiscal year 2022-23, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$290.4 billion. This amount includes \$29.8 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 property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property. The County legally is required to maintain a minimum of 1% of the total tax levies on secured properties within the tax areas of participating entities, which was about \$34.7 million at June 30, 2023.

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 \$238.1 million at June 30, 2023.

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 \$232.8 million from the excess ERAF for the fiscal year ended June 30, 2023.

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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 May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. As of July 1, 2022, the County implemented GASB 96 to its financial statements.

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer;

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establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the County's fiscal year June 30, 2023, and there is no impact to the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for the County's fiscal year June 30, 2023, and there is no impact to the financial statements.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, public-private and public-public partnerships and availability payment arrangements, and SBITAs are effective for the County's fiscal year June 30, 2023.

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, 2023.

GASB Statement No. 99, *Omnibus 2022* requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the County's fiscal year June 30, 2024.

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. This Statement is effective for the County's fiscal year 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.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity/Net Position

At June 30, 2023, the IHSS Public Authority, a special revenue fund; the Tower Road Construction, and the Workers' Compensation Insurance internal service funds, reported net deficits of \$88 thousand, \$1.2 million, and \$25.3 million, respectively.

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

Tower Road Construction. This fund has accumulated insufficient net position as a result of implementation of GASB Statement Nos. 68 and 75 for pension and other postemployment benefits, and a loan that is being repaid over time. The County is actively taking steps to cure the financial imbalance 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

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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.

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, 2023, the net asset value of involuntary participation in the investment pool was \$4.17 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	\$ 3,466
Money market deposit accounts - JPFA	2,822
Cash and deposits - SamCERA	218,302
Deposits - County	(55,487) ¹
Cash deposits - HPSM	204,339 ²
Cash equivalents - HPSM	<u>205,840 ²</u>
Total cash	<u>579,282</u>

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

Primary government	\$ 2,972,914
Discretely presented component unit - First 5	13,722
Discretely presented component unit - HPSM	590,919 ²
Pension trust fund	6,061,754
Investment trust fund	4,169,980
Private purpose trust funds	209,055
Custodial funds	<u>348,737</u>
Total cash and investments	<u>\$ 14,367,081</u>

Investments:

In Treasurer's pool	7,745,706
With fiscal agents of the County	25,983
With fiscal agents of the JPFA	110,613
In SamCERA's portfolio	5,831,643
In Library's portfolio	2,256
In HPSM's portfolio	<u>72,798 ²</u>
Total investments	13,788,999
Perspective difference	<u>(1,200) ³</u>
Total cash and investments	<u>\$14,367,081</u>

¹ At year-end, the carrying amount of the County's cash deposits was (\$55,487) and the bank balance was \$41,079. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

² HPSM's cash and investments were as of December 31, 2022.

³ Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2022 was \$107.9 million and June 30, 2023 was \$109.1 million.

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Investments

The table below summarizes total investments reported as of June 30, 2023:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
Investments in Investment Pool					
Negotiable certificates of deposit	5.34% - 5.50%	9/1/23 - 3/28/24	\$ 100,000	\$ 99,958	0.42
U.S. treasury notes	0.12% - 4.12%	7/31/23 - 5/31/28	2,009,605	1,891,850	1.83
U.S. treasury bills	4.96% - 5.19%	7/13/23 - 8/15/23	80,000	79,792	0.04
U.S. government agency securities	0.13% - 6.05%	7/5/23 - 6/30/28	3,816,909	3,733,644	1.40
U.S. government agency securities - floating rate	3.00% - 4.65%	10/20/23 - 11/15/24	179,750	178,292	0.59
U.S. instrumentalities ²	0.25% - 5.03%	7/31/23 - 1/13/27	304,083	292,335	1.09
Corporate bonds	0.35% - 5.35%	8/11/23 - 5/12/28	972,167	926,781	2.46
Corporate bonds - floating rate	3.86%	7/23/24	10,000	9,988	1.07
Municipal bonds	0.67% - 3.40%	8/1/23 - 8/1/25	33,785	32,633	0.85
Money market funds	0%	**	126,121	126,121	*
California Asset Management Program	4.00% - 5.63%	9/1/23 - 2/23/24	225,000	225,000	0.08
Commercial paper	5.24% - 5.85%	10/3/23 - 3/22/24	111,000	107,152	0.59
Asset backed securities	0.37% - 2.22%	4/22/24 - 11/15/26	44,089	42,160	2.98
Total investments in investment pool			<u>\$ 8,012,509</u>	<u>7,745,706</u>	1.51
Investments outside of Investment Pool					
San Mateo County					
Money market funds				24,608	*
First American Government Obligations Fund - D class				<u>1,375</u>	*
Subtotal				<u>25,983</u>	
San Mateo Joint Powers Financing Authority					
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	3.40
First American Government Obligations Fund - D class				109,069	*
First American Treasury Obligations Fund - D class				<u>606</u>	*
Subtotal				<u>110,613</u>	
San Mateo County Employees' Retirement Association					
Commingled fixed income portfolio:					
Opportunistic Credit Funds ³				<u>607,710</u>	5.34
Separate account fixed income portfolio: ⁴					
Asset Back Securities				46,575	14.50
Commercial Mortgage Backed				34,777	22.40
Corporate Bonds				129,298	9.00
Government Agencies				5,472	9.30
Government Bonds				303,934	12.50
Government Mortgage Backed Securities				211,873	25.60
Government Commercial Mortgage Backed				8,969	19.80
Municipal/Provincial Bonds				5,147	10.60
Non-govt Backed Collateralized Mortgage Obligations				<u>4,258</u>	36.70
Subtotal				<u>750,303</u>	16.37

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	Fair Value	Weighted Average Maturity (Years)		
Investments outside of Investment Pool (continued)				
Northern Institutional Liquid Assets Portfolio Cash Collateral Fund	\$ 3,737		**	
Foreign Exchange Contracts	8,135		**	
Equity securities:				
Foreign stocks	420,274		**	
U.S. common & preferred stock	380,956		**	
Commingled funds:				
Domestic equity	793,228		**	
International equity	547,881		**	
Liquid pool	173,739		**	
Domestic equity	216,525		**	
International equity	76,172		**	
Real estate	524,546		**	
Liquidity	261,966		**	
Alternatives:				
Absolute return/hedge funds	348,360		**	
Private equity	393,829		**	
Private real asset	324,282		**	
Subtotal	4,473,630			
Total SanCERA's investments	5,831,643			
San Mateo County Library				
Local Agency Investment Fund	2,256		0.71	1
Health Plan of San Mateo (as of December 31, 2022)				
Local Agency Investment Fund	72,798		0.71	1
Total investments outside of investment pool	6,043,293			
Total investments	\$ 13,788,999			

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

** Not applicable or not available.

¹ WAM was computed using the average life from the Pooled Money Investment Account quarterly performance report as of June 30, 2023.

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

³ Category consists of twelve opportunistic credit funds managed by Angelo Gordon (three funds), Beach Point, Brigade Capital Management, Franklin Templeton, Blackrock (two funds), PIMCO (two funds) and White Oak (two funds).

⁴ Category consists of four fixed income separate account managers: FIAM, NISA (two funds) and DoubleLine.

⁵ 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, 2023, the investment pool had a weighted average maturity of 1.51 years and its investment in floating rate securities was \$10.0 million which are tied to the three-month London Interbank Offered Rate (LIBOR) index.

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

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<u>Investment as of June 30, 2023</u>	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	AA-	0.32%
Negotiable Certificates of Deposit	A+	0.64%
Negotiable Certificates of Deposit	A	0.32%
U.S. Government Securities		
U.S. Treasury Securities	AA+	25.41%
U.S. Instrumentalities	AAA	3.77%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	26.15%
Federal Home Loan Mortgage Corporation	AA+	11.20%
Federal Home Loan Bank - Floating rate	AA+	1.98%
Federal Farm Credit Bank	AA+	5.88%
Federal Home Loan Mortgage Corporation - Floating rate	AA+	0.32%
Federal National Mortgage Association	AA+	5.06%
Corporate Bonds		
Corporate Bonds	AAA	0.12%
Corporate Bonds	AA+	0.38%
Corporate Bonds	AA	1.38%
Corporate Bonds	AA-	0.56%
Corporate Bonds	A1	0.20%
Corporate Bonds	A+	1.72%
Corporate Bonds	A	3.33%
Corporate Bonds	A-	3.14%
Corporate Bonds	BBB+	1.12%
Corporate Bonds - Floating Rate Securities	A-	0.13%
Asset Backed Securities	AAA	0.54%
Municipal Bonds	AAA	0.08%
Municipal Bonds	AA+	0.13%
Municipal Bonds	AA	0.06%
Municipal Bonds	AA-	0.15%
Money Market Funds	AAA	1.63%
California Asset Management Program	AAA	2.90%
Commercial Paper	A1	1.38%
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, 2023, the investment pool has more than 5% of its total investments with the following issuer: 28.13% in Federal Home Loan Bank, 5.88% in Federal Farm Credit Bank, 11.52% in Federal Home Loan Mortgage Corporation, and 5.06% 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, 2023, the State of California Pooled Money Investment Account (PMIA) balance was \$178.4 billion, of which 1.46% is in structured notes and medium-term asset backed securities, and 1.32% 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 \$35.8 billion, while HPSM's investment in LAIF was \$72.8 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 260 days as of June 30, 2023. 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 26 days at June 30, 2023.

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County Investment Pool Condensed Financial Information

Below is the condensed statement of the investment pool as of June 30, 2023:

Statement of Net Position

Assets:	
Negotiable certificates of deposit	\$ 99,958
U.S. treasury notes	1,891,850
U.S. treasury bills	79,792
U.S. government agency securities	3,733,644
U.S. government agency securities - floating rate	178,292
U.S. instrumentalities	292,335
Corporate bonds	926,781
Corporate bonds - floating rate	9,988
Municipal bonds	32,633
Money market funds	126,121
California Asset Management Program	225,000
Commercial paper	107,152
Asset backed securities	42,160
Total investments	<u>7,745,706</u>
Other assets	46,362
Pool deposits	41,079
Total assets	<u>7,833,147</u>
Liabilities:	
Unfunded checks and warrants	96,566
Other liabilities	14,092
Total liabilities	<u>110,658</u>
Net Position:	
Equity of internal pool participants	3,520,239
Equity of external pool participants	4,202,250
Total net position	<u>\$ 7,722,489</u>

Statement of Changes in Net Position

Net position at July 1, 2022	\$ 6,893,272
Net change in investments by pool participants	829,217
Net position at June 30, 2023	<u>\$ 7,722,489</u>

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

Participant units outstanding (one dollar par value)	\$ 7,949,502
Undistributed and unrealized loss	(227,013)
Net position at June 30, 2023	<u>\$ 7,722,489</u>

Participant net position at fair value price per share (\$7,722,489 divided by 7,949,502 units)	<u>\$ 0.9714</u>
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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, 2023, the JPFA's investment portfolio had a weighted average maturity of 0.3 years.

Credit Risk. The JPFA's bond trust agreements include provisions which restrict the JPFA's investment in (a) money market mutual funds rated "AAm" or "AAM-G" by Standard & Poor's, or better; (b) repurchase agreements with any domestic bank the long-term debt of which is rated at least "A" or better by Standard & Poor's Corporation and Moody's Investors Service; (c) specific obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America, and (d) investment agreements. As of June 30, 2023, the JPFA's money market mutual fund was rated "AAAm" by Standard & Poor's, "Aaa-mf" by Moody's Investors Service, and "AAAmf" by Fitch. The repurchase agreement with the Hong Kong and Shanghai Banking Corporation was rated "AA-" by Standard & Poor's, "Aa3" by Moody's Investors Service, and "AA-" by Fitch. The U.S. treasury notes were rated "AA+" by Standard & Poor's, "Aa3" by Moody's Investors Service, 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, 2023, the JPFA has \$0.9 million, or 0.7%, 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, 2023, \$130.3 million of cash was held in a pooled short-term investment fund with the Northern Trust Corporation and \$11.8 million in the County's investment pool. Cash held by investment managers at year end amounted to \$68.0 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, \$0.8 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	2.5%	1.5%
AA	1.2%	1.0%
A	6.4%	0.5%
BBB	10.8%	2.7%
B	0.3%	26.6%
Not rated	78.8%	67.7%
	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, 2023, 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, 2023, 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, 2023. 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	\$ 10,595	\$ -	\$ -	\$ -	\$ -	\$ (9,879)	\$ 716
Brazilian Real	4,203	-	-	-	-	-	4,203
Canadian Dollar	8,878	-	-	-	704	(4,751)	4,831
Swiss Franc	15,266	-	-	-	-	(7,840)	7,426
HK Offshore Chinese Yuan Renminbi	3,871	-	-	-	-	-	3,871
Danish Krone	2,881	-	-	-	-	-	2,881
Euro	114,099	4,660	18,774	431	-	(42,884)	95,080
British Pound Sterling	76,195	-	-	65	-	(23,219)	53,041
Hong Kong Dollar	28,980	-	-	21	-	-	29,001
Indian Rupee	12,145	-	-	-	-	-	12,145
Japanese Yen	107,236	-	-	243	-	(125,097)	(17,618)
Mexican Peso	2,423	-	-	-	-	-	2,423
Swedish Krona	17,488	-	-	6	-	(20,098)	(2,604)
Singapore Dollar	11,354	-	-	-	-	-	11,354
Total	<u>\$ 415,614</u>	<u>\$ 4,660</u>	<u>\$ 18,774</u>	<u>\$ 766</u>	<u>\$ 704</u>	<u>\$ (233,768)</u>	<u>\$ 206,750</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, 2023, derivatives held an aggregate notional amount of (\$4.1) million and a fair value of \$1.1 million are reported in the statement of fiduciary net position as part of the cash management overlay. Additionally, a fair value of derivatives totaling \$8.1 million is reported in the statement of fiduciary net position in liquidity. Changes in fair value during FY 2023 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 and “to-be-announced” mortgage-backed securities, is determined by an external pricing service using various proprietary methods based upon the type of derivative instrument.

The fair values of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the specified contract exchange rate and the exchange rate at the end of the reporting period.

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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, 2023</u>	Notional	Fair Value	
	<u>Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
Interest rate contract - short	\$ (47,025)	\$ -	\$ 366
Interest rate contract - long	(17,460)	-	87
Foreign exchange contracts - short	26,622	-	-
Foreign exchange contracts - long	1,739	-	-
Equity contracts - long	31,994	663	-
Total	<u>\$ (4,130)</u>	<u>\$ 663</u>	<u>\$ 453</u>

Interest Rate Risk - Derivatives. SamCERA’s investments in interest rate derivatives are highly sensitive to changes in interest rates. The investment maturities for \$41.4 million of the investments in derivatives is less than 3 months, (\$55.0) million is 3 to 6 months, and \$9.5 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, 2023, 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, 2023, 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, 2023, the fair value of securities on loan reported and the total collateral held amounted to \$9.7 million and \$9.9 million (with \$3.7 million in cash collateral and \$6.2 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, 2023, the Fund had an interest sensitivity of 24 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, 2023, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Negotiable certificates of deposit	\$ 99,958	\$ -	\$ 99,958
U.S. treasury notes	1,891,850	-	1,891,850
U.S. treasury bills	79,792	-	79,792
U.S. government agency securities	3,747,636	-	3,747,636
U.S. government agency securities - floating rate	178,292	-	178,292
U.S. instrumentalities	292,335	-	292,335
Corporate bonds	1,232,898	-	1,232,898
Corporate bonds - floating rate	9,988	-	9,988
Government bonds	358,065	-	358,065
Municipal bonds	37,780	-	37,780
Money market funds	150,729	150,729	-
Commercial paper	107,152	-	107,152
Repurchase agreements	938	-	938
Asset backed securities	110,981	-	110,981
Foreign exchange contracts	8,135	-	8,135
Foreign government securities	250	-	250
Mutual funds	111,050	-	111,050
Collateral from securities lending	3,737	3,737	-
Collateral mortgage obligations	4,258	-	4,258
Commercial mortgage-backed	34,777	-	34,777
Government commercial mortgage-backed	8,969	-	8,969
Government mortgage-backed securities	211,873	-	211,873
Equity securities:			
Foreign stocks	420,274	420,274	-
U.S. common & preferred stock	380,956	380,956	-
Commingled funds:			
Domestic equity	793,228	-	793,228
International equity	547,881	-	547,881
Liquid pool	173,739	-	173,739
Total investments subject to fair value hierarchy	10,997,521	\$ 955,696	\$ 10,041,825
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	75,054		
California Asset Management Program	225,000		
	300,054		
Investments measured at the net asset value (NAV)			
Domestic bond funds	553,161		
Global bond funds	54,549		
Domestic equity funds	216,525		
International equity funds	76,172		
Real estate funds	524,546		
Absolute return/hedge funds	348,360		
Private equity funds	393,829		
Private real asset funds	324,282		
Total investments measured at NAV	2,491,424		
Total investments	\$ 13,788,999		

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<u>Investments measured at NAV</u>	<u>6/30/2023</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Domestic bond funds ⁽¹⁾	\$ 553,161	\$ 112,728	Not eligible	Not applicable
Global bond funds ⁽¹⁾	54,549	-	Monthly	15 days
Domestic equity funds ⁽¹⁾	216,525	-	Monthly	10 days
International equity funds ⁽¹⁾	76,172	-	Monthly	10 days
Real estate funds ⁽²⁾	524,546	75,014	Quarterly, not eligible	45 days, not applicable
Hedge funds/absolute return ⁽³⁾	348,360	-	Monthly	30 days
Private equity funds ⁽⁴⁾	393,829	281,693	Not eligible	Not applicable
Private real asset funds ⁽⁴⁾	324,282	112,792	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 2,491,424</u>	<u>\$ 582,227</u>		

⁽¹⁾ *Bond and Equity Funds.* This type includes eleven opportunistic credit funds, one global bond fund, 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.

⁽²⁾ *Real Estate Funds.* This type includes five real estate funds that invest primarily in a diversified portfolio of institutional quality multi-family, industrial, retail, and office assets in the United States. This type also includes one real estate debt fund that originates loans primarily across a diversified portfolio of institutional quality multifamily, industrial, retail, office, and specialty assets. The fair values of the investments in these types have been determined using the NAV (or its equivalent) of the plan's ownership interest in partners' capital. One investment has quarterly liquidity, and one is subject to an initial 3-year lock-up with quarterly liquidity thereafter while the other four are ineligible for redemption.

⁽³⁾ *Hedge Funds/Absolute Return.* This strategy consists of five 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 third fund is a directional, long and short strategy that utilizes fundamental and price-based indicators to establish return forecasts across global interest rates, foreign exchange, stock indices, and commodities. The fourth fund uses a diverse set of trading strategies that are based on factors (momentum, value, carry, macro and sentiment) across asset classes. And, finally, 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.

⁽⁴⁾ *Private Equity and Real Asset Funds.* This type includes thirty-six private equity funds, investing primarily in buyout funds, venture capital, and debt/special situations. This type also includes fifteen 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, 2023, 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 \$247.6 million, of which about \$184.1 million is not expected to be collected within the next twelve months.

Governmental Activities	General Fund	JPFA	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 11,311	\$ -	\$ 273	\$ 1,254	\$ 12,838
Interest	42,753	696	2,732	606	46,787
Taxes	38,053	-	1,451	-	39,504
Mortgages	182,825	-	-	-	182,825
Other	21,124	-	3	-	21,127
Gross receivables	296,066	696	4,459	1,860	303,081
Less: allowances for uncollectibles	(48,473)	-	(747)	-	(49,220)
Total receivables, net	<u>\$ 247,593</u>	<u>\$ 696</u>	<u>\$ 3,712</u>	<u>\$ 1,860</u>	<u>\$ 253,861</u>

Business-type Activities	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 105,722	\$ 231	\$ 117	\$ 106,070
Interest	1,014	225	58	1,297
Other	5,799	-	-	5,799
Gross receivables	112,535	456	175	113,166
Less: allowances for uncollectibles	(80,351)	-	(40)	(80,391)
Total receivables, net	<u>\$ 32,184</u>	<u>\$ 456</u>	<u>\$ 135</u>	<u>\$ 32,775</u>

Housing Authority of the County of San Mateo

As of June 30, 2023, the Housing Authority has a total notes receivable of \$33.5 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, 2023, 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	\$ 1,522	\$ 19,842	\$ 21,364
Intergovernmental revenues	88,335	213,213	301,548
Mortgage and related interest	180,545	-	180,545
Excess ERAF	127,687	-	127,687
VLF Shortfall	60,714	-	60,714
SB 90 mandated costs	2,083	-	2,083
Others	3,967	-	3,967
	<u>464,853</u>	<u>233,055</u>	<u>697,908</u>
Other Governmental Funds			
Property taxes	58	756	814
Intergovernmental revenues	2,695	37	2,732
Excess ERAF	885	-	885
	<u>3,638</u>	<u>793</u>	<u>4,431</u>
Total Governmental Activities	<u>\$ 468,491</u>	<u>\$ 233,848</u>	<u>\$ 702,339</u>
<u>Business-type Activities</u>			
San Mateo Medical Center		\$ 1,156	\$ 1,156
Housing Authority		422	422
Other Enterprise Funds		24	24
Total Business-type Activities		<u>\$ 1,602</u>	<u>\$ 1,602</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, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	JPFA	\$ 157
	Other Governmental Funds	2,626
	Medical Center	2,082
	Other Enterprise Funds	17
	Internal Service Funds	55
		<u>4,937</u>
Other Governmental Funds	General Fund	645
Medical Center	General Fund	36
Internal Service Funds	General Fund	197
	Other Governmental Funds	45
	Medical Center	11
		<u>253</u>
	Total	<u>\$ 5,871</u>

Advances to/from other funds

Advances from the General Fund are comprised of the following as of June 30, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 6,018
	Medical Center	944
	Internal Service Funds	785
	Total	<u>\$ 7,747</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.
- \$0.8 million outstanding advance resulted from three separate advances (\$0.3 million in June 2009, \$0.5 million in June 2010, and \$0.6 million in June 2011) to the Tower Road Construction Fund to cover cash deficits at year-end offset by a \$0.6 million payment against advances.

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NOTE 7 – INTERFUND TRANSFERS

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

(a) Between Governmental and Business-type Activities:

Transfer From	Transfer To	Amount	Purpose
General Fund	Medical Center	\$ 65,153	Provide subsidy to support indigent healthcare as budgeted.
Medical Center	Other Governmental Funds	21,408	Transfer funds to cover debt service payments.
Nonmajor Enterprise Funds	Other Governmental Funds	<u>1,901</u>	Transfer funds to finance County capital projects.
	Total	<u>\$ 88,462</u>	

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 95,988	Provide funds to finance County capital projects.
	Other Governmental Funds	30,795	Transfer funds to cover debt service payments.
	Other Governmental Funds	3,702	Contribute funds to support in-home supportive services.
	Other Governmental Funds	<u>472</u>	Transfer funds to San Mateo County Fire program.
	Subtotal	<u>130,957</u>	
General Fund	Internal Service Funds	<u>115</u>	Provide subsidy to cover shortfall.
Other Governmental Funds	General Fund	103	Transfer funds to cover overhead surcharges.
	General Fund	1,261	Contribute funds to support Commute Alternatives Program costs.
	General Fund	14,123	Transfer funds to support San Mateo County Fire program.
	General Fund	<u>14,280</u>	Provide funds to finance County capital projects.
Subtotal	<u>29,767</u>		
Other Governmental Funds	Other Governmental Funds	1,788	Transfer funds to finance capital improvements.
	Other Governmental Funds	<u>1,163</u>	Transfer funds to cover debt service payments.
Subtotal	<u>2,951</u>		
Other Governmental Funds	JPFA	<u>40,553</u>	Transfer funds to cover debt service payments.
Internal Service Funds	General Fund	<u>21</u>	Provide funds to support Sheriff's driver's training program.
Internal Service Funds	Other Governmental Funds	<u>23</u>	Transfer funds to finance capital projects.
	Total	<u>\$ 204,387</u>	

⁽¹⁾ 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, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2023
Governmental activities					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 108,093	\$ 11,128	\$ -	\$ -	\$ 119,221
Infrastructure - maintained road subsystem	96,952	-	-	3,826	100,778
Construction in progress	303,518	227,895	(885)	(11,742)	518,786
Total capital assets, not being depreciated	<u>508,563</u>	<u>239,023</u>	<u>(885)</u>	<u>(7,916)</u>	<u>738,785</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	78,318	-	-	274	78,592
Structures and improvements	1,075,368	51,270	-	1,266	1,127,904
Equipment	127,890	6,193	(9,951)	-	124,132
Software	25,005	-	-	6,376	31,381
Total capital assets, being depreciated	<u>1,306,581</u>	<u>57,463</u>	<u>(9,951)</u>	<u>7,916</u>	<u>1,362,009</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(33,168)	(1,832)	-	-	(35,000)
Structures and improvements	(299,801)	(24,031)	-	-	(323,832)
Equipment	(104,186)	(8,971)	9,946	-	(103,211)
Software	(21,288)	(3,325)	-	-	(24,613)
Total accumulated depreciation	<u>(458,443)</u>	<u>(38,159)</u>	<u>9,946</u>	<u>-</u>	<u>(486,656)</u>
Total capital assets, being depreciated, net	<u>848,138</u>	<u>19,304</u>	<u>(5)</u>	<u>7,916</u>	<u>875,353</u>
Governmental activities capital assets, net	<u>\$ 1,356,701</u>	<u>\$ 258,327</u>	<u>\$ (890)</u>	<u>\$ -</u>	<u>\$ 1,614,138</u>
Business-type activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,989	\$ -	\$ -	\$ -	\$ 14,989
Construction in progress	8,832	6,205	(50)	(2,518)	12,469
Total capital assets, not being depreciated	<u>23,821</u>	<u>6,205</u>	<u>(50)</u>	<u>(2,518)</u>	<u>27,458</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	97,023	58	-	501	97,582
Equipment	26,720	95	(530)	1,917	28,202
Software	20,174	-	-	100	20,274
Total capital assets, being depreciated	<u>143,917</u>	<u>153</u>	<u>(530)</u>	<u>2,518</u>	<u>146,058</u>
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(48,156)	(2,043)	-	-	(50,199)
Equipment	(15,976)	(1,949)	499	-	(17,426)
Software	(16,799)	(885)	-	-	(17,684)
Total accumulated depreciation	<u>(80,931)</u>	<u>(4,877)</u>	<u>499</u>	<u>-</u>	<u>(85,309)</u>
Total capital assets, being depreciated, net	<u>62,986</u>	<u>(4,724)</u>	<u>(31)</u>	<u>2,518</u>	<u>60,749</u>
Business-type activities capital assets, net	<u>\$ 86,807</u>	<u>\$ 1,481</u>	<u>\$ (81)</u>	<u>\$ -</u>	<u>\$ 88,207</u>

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Lease/subscription asset activities for the fiscal year ended June 30, 2023, are as follows:

	(Restated)			Balance
	Balance	Additions	Retirements	Balance
	July 1, 2022			June 30, 2023
Governmental activities				
<i>Lease/subscription assets, being amortized:</i>				
Buildings	\$ 72,867	\$ 2,367	\$ (215)	\$ 75,019
Equipment	30	-	(30)	-
Subscription*	11,914	1,761	-	13,675
Total lease/subscription assets, being amortized	<u>84,811</u>	<u>4,128</u>	<u>(245)</u>	<u>88,694</u>
<i>Less accumulated amortization for:</i>				
Buildings	(11,361)	(14,237)	215	(25,383)
Equipment	(17)	-	17	-
Subscription*	-	(5,670)	-	(5,670)
Total lease/subscription assets, being amortized, net	<u>(11,378)</u>	<u>(19,907)</u>	<u>232</u>	<u>(31,053)</u>
Governmental activities lease/subscription assets, net	<u>\$ 73,433</u>	<u>\$ (15,779)</u>	<u>\$ (13)</u>	<u>\$ 57,641</u>
	(Restated)			Balance
	Balance	Additions	Retirements	Balance
	July 1, 2022			June 30, 2023
Business-type activities				
<i>Lease/subscription assets, being amortized:</i>				
Buildings	\$ 36,135	\$ -	\$ -	\$ 36,135
Equipment	194	-	(157)	37
Subscription*	828	32	-	860
Total lease/subscription assets, being amortized	<u>37,157</u>	<u>32</u>	<u>(157)</u>	<u>37,032</u>
<i>Less accumulated amortization for:</i>				
Buildings	(2,486)	(2,486)	-	(4,972)
Equipment	(117)	(19)	99	(37)
Subscription*	-	(318)	-	(318)
Total lease/subscription assets, being amortized, net	<u>(2,603)</u>	<u>(2,823)</u>	<u>99</u>	<u>(5,327)</u>
Business-type activities lease/subscription assets, net	<u>\$ 34,554</u>	<u>\$ (2,791)</u>	<u>\$ (58)</u>	<u>\$ 31,705</u>

* - Restatement due to implementation of GASB 96.

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Depreciation

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

<u>Governmental Activities</u>	
General government	\$ 11,787
Public protection	13,315
Public ways and facilities	1,449
Health and sanitation	3,757
Public assistance	2,743
Recreation	2,237
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>2,871</u>
Total depreciation - governmental activities	<u><u>\$ 38,159</u></u>
<u>Business-type Activities</u>	
Medical Center	\$ 3,435
Housing Authority	465
Airports	663
Coyote Point Marina	<u>314</u>
Total depreciation - business-type activities	<u><u>\$ 4,877</u></u>

Amortization

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

<u>Governmental Activities</u>	
General government	\$ 5,219
Public protection	1,357
Health and sanitation	6,911
Public assistance	<u>6,420</u>
Total amortization - governmental activities	<u><u>\$ 19,907</u></u>
<u>Business-type Activities</u>	
Medical Center	\$ 2,392
Housing Authority	<u>431</u>
Total amortization - business-type activities	<u><u>\$ 2,823</u></u>

Capital Project Commitments

The County had four major capital projects underway in FY 2022-23 as follows:

County Office Building 3

County Office Building 3 (COB3) will contain five levels of offices and meeting space that will accommodate 500 County employees. This property will house the Board of Supervisors Chambers, offices for the Board of Supervisors and the County Executive as well as staff for various departments of the County. COB3 will be the first large scale, civic, cross-laminated-timber building in the country. Consistent with the County Municipal Green Building Policy, COB3 will be designed to operate at ZNE to achieve certification in LEED. Site demolition is complete, and design is in development. Construction is expected to be completed by early 2024. The estimated project cost is \$230 million. The total cost incurred during FY 2022-23 is \$61.5 million.

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San Mateo County Health Campus Upgrade aka “Medical Center Upgrade”

The San Mateo County Health System Campus consists of the San Mateo Medical Center and Health Services departments. The San Mateo Health System Campus Upgrade Project is a complex project comprised of: (1) demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Tower and the Central Plant to accommodate essential Office of Statewide Health Planning Development (OSHPD) functions; and (3) construction of a new 70,000 square feet non-OSHPD administration building to support hospital functions. Consistent with the County Municipal Green Building Policy, upgrades and construction will be designed to operate at ZNE and to achieve LEED certification. This project will occur in phases, with the final project completion estimated for second quarter of 2025. The estimated project cost is \$223 million. The total cost incurred during FY 2022-23 is \$32.4 million.

Cordilleras Mental Health Facility

The Cordilleras Mental Health Facility will include 117-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 first quarter of 2025. The estimated project cost is \$160 million. The total cost incurred during FY 2022-23 is \$48.2 million.

San Mateo County Navigation Center

The San Mateo County Navigation Center (Center) which provides 240 safe, private, temporary living units to unsheltered individuals and couples. The Center, provides intensive on-site support services including case management, medical assistance, and dental care, is a key part of the County plan to shelter every person who chooses assistance. The innovative and fast-moving project, which utilized prefabricated modular units, broke ground April 2022 and is slated for certified occupancy in August 2023. The project’s target budget of \$57 million is funded through a combination of federal, state, county, and philanthropic funds. The total cost incurred during FY 2022-23 is \$35.1 million.

Health Plan of San Mateo

Capital asset activities of the Health Plan of San Mateo for the fiscal year ended June 30, 2023, are as follows:

	Balance			Balance
	January 1, 2022	Additions	Retirements	December 31, 2022
Component Unit				
<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	23,087	152	-	23,239
Furniture and equipment	14,396	150	(184)	14,362
Total capital assets, being depreciated	69,293	302	(184)	69,411
<i>Less accumulated depreciation and amortization for:</i>	(22,079)	(2,161)	139	(24,101)
Total capital assets, being depreciated, net	47,214	(1,859)	(45)	45,310
Component unit capital assets, net	\$ 62,882	\$ (1,859)	\$ (45)	\$ 60,978

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NOTE 9 – LONG-TERM LIABILITIES

The County’s long-term liabilities as of June 30, 2023, are as follows:

Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2023
<u>Governmental Activities</u>					
Lease Revenue Bonds:					
<u>1993 Issue - Satellite Clinic</u>					
Purpose: To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.					
Serial Capital Appreciation Bonds	9/1/23 - 9/1/26	5.95% - 6%	\$188 - \$204	\$ 2,085	\$ 776
Accreted interest on capital appreciation bonds				8,941	3,555
1993 Issue - Satellite Clinic				11,026	4,331
<u>2013 Issue</u>					
Purpose: To provide funds, together with other available moneys, (i) to redeem outstanding 1997, 1999, and 2001 Bonds, (ii) to finance certain capital improvements, and (iii) to pay costs of issuance of the 2013 Bonds.					
Serial Current Interest Bonds	7/15/23 - 7/15/32	4.25% - 5.25%	\$610 - \$10,320	40,065	645
<u>2014 Issue</u>					
Purpose: To provide funds, together with other available moneys, (i) to finance the acquisition, construction and equipping of the Maple Street Correctional Center, (ii) to refund all of the outstanding notes previously issued by the County in FY 2013-14, the proceeds of which were used to reimburse the County for the purchase price of the jail project site, (iii) to pay capitalized interest on the 2014 Bonds through May 30, 2016, (iv) to provide the Reserve Account Requirement, and (v) pay issuance costs of the 2014 Bonds.					
Serial Current Interest Bonds	6/15/24 - 6/15/31	3% - 5%	\$5,675 - \$9,185	157,895	59,610
Term Interest Bonds	6/15/32 - 6/15/35	4%	\$2,500 - \$5,010	15,145	15,145
Term Interest Bonds	6/15/36 - 6/15/37	4%	\$495 - \$1,530	2,025	2,025
2014 Issue				175,065	76,780
<u>2016 Issue</u>					
Purpose: To provide funds, together with other available moneys, to refund the outstanding 2008 Bonds, to pay costs of issuance of the 2016 Bonds, and to pay costs relating to the refunding of the 2008 Bonds.					
Serial Current Interest Bonds	7/15/23 - 7/15/36	3% - 5%	\$4,020 - \$7,620	107,600	82,410
<u>2018 Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.					
Serial Bonds	7/15/23 - 7/15/38	5%	\$1,230 - \$6,890	64,560	62,155
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				217,640	215,235
<u>2019 Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/23 - 7/15/26	5%	\$7,045 - \$8,290	45,170	30,700

(Continued)

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<u>Type of indebtedness (purpose)</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2023</u>
<u>2021A Issue</u>					
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>
<u>2023A Issue</u>					
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
Total governmental activities				<u>\$ 775,916</u>	<u>\$ 589,451</u>
<u>Business-type Activities</u>					
Notes Payable:					
Coyote Point Marina					
Department of Boating and Waterways	8/1/23 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 281
Dock 29 loan	8/1/23 - 8/1/45	4.5%	\$39 - \$114	1,919	1,668
Housing Authority					
California Housing Finance Agency	5/20/57	0.00%	-	49	31
Total business-type activities				<u>\$ 4,282</u>	<u>\$ 1,980</u>

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The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2023.

	(Restated) Balance July 1, 2022	Additions/ Accretions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Lease revenue bonds	\$ 612,605	\$ 26,345	\$ (53,054)	\$ 585,896	\$ 24,785
Accreted interest on capital appreciation bonds	4,174	292	(911)	3,555	960
Add: unamortized premium	60,271	4,949	(5,033)	60,187	3,934
Lease revenue bonds, net	<u>677,050</u>	<u>31,586</u>	<u>(58,998)</u>	<u>649,638</u>	<u>29,679</u>
Leases payable	62,573	2,367	(13,069)	51,871	11,526
Subscriptions payable*	11,914	1,761	(6,406)	7,269	3,649
Other long-term obligations	3,944	-	(157)	3,787	160
Estimated claims	58,148	24,541	(22,456)	60,233	22,325
Compensated absences	72,636	50,768	(46,286)	77,118	48,557
Total Governmental Activities	<u>\$ 886,265</u>	<u>\$ 111,023</u>	<u>\$ (147,372)</u>	<u>\$ 849,916</u>	<u>\$ 115,896</u>
Business-type Activities:					
San Mateo Medical Center					
Leases payable	\$ 33,829	\$ -	\$ (1,252)	\$ 32,577	\$ 1,445
Subscriptions payable*	828	-	(286)	542	293
Compensated absences	15,089	13,030	(12,165)	15,954	12,914
Other long-term obligations	890	-	-	890	-
	<u>50,636</u>	<u>13,030</u>	<u>(13,703)</u>	<u>49,963</u>	<u>14,652</u>
Housing Authority					
Notes payable	31	-	-	31	1
Compensated absences	656	682	(644)	694	436
Leases payable	864	-	(430)	434	434
Other long-term obligations	905	284	-	1,189	-
	<u>2,456</u>	<u>966</u>	<u>(1,074)</u>	<u>2,348</u>	<u>871</u>
Other Enterprise Funds					
Notes payable	2,028	-	(79)	1,949	82
Compensated absences	202	80	(113)	169	117
	<u>2,230</u>	<u>80</u>	<u>(192)</u>	<u>2,118</u>	<u>199</u>
Total Business-type Activities	<u>\$ 55,322</u>	<u>\$ 14,075</u>	<u>\$ (14,968)</u>	<u>\$ 54,429</u>	<u>\$ 15,722</u>

* - Restatement due to implementation of GASB 96.

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 \$914.8 million payable through June 15, 2055. For the current year, debt service expenditures for principal and interest totaled \$22.7 million and \$26.0 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).

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- *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 2.24%. Total lease payments expected to be paid for governmental and enterprise funds is \$106.2 million payable through May 2043, and \$0.2 million payable through October 2025 for First 5. For the current year, lease principal and interest payments for governmental and enterprise funds totaled \$21.4 million and \$2.6 million, respectively, and \$85 thousand and \$3 thousand, respectively for First 5.

Annual debt service requirements for the governmental activities as of June 30, 2023, are summarized as follows:

<u>Fiscal Year Ending June 30,</u>	Governmental Activities		
	Lease Revenue Bonds		
	Principal	Interest	
	Accretion	Interest	
2024	\$ 24,785	\$ 960	\$ 24,224
2025	24,526	1,009	23,330
2026	25,192	1,063	22,088
2027	24,983	1,118	20,851
2028	27,815	-	19,545
2029-2033	115,750	-	79,780
2034-2038	87,520	-	56,085
2039-2043	65,110	-	40,959
2044-2048	79,680	-	26,320
2049-2053	94,850	-	10,954
2054-2055	15,685	-	591
Total requirements	585,896	4,150	324,727
Less: unaccreted interest	-	(595)	-
Total	\$ 585,896	\$ 3,555	\$ 324,727

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 2014 Lease Revenue Bonds, 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.

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Annual lease payments for the governmental activities, business-type activities, and First 5 as of June 30, 2023, are summarized as follows:

Governmental Activities			Business-type Activities			Component Units First 5 San Mateo County		
Fiscal Year Ending June 30,	Principal	Interest	Fiscal Year Ending June 30,	Principal	Interest	Fiscal Year Ending June 30,	Principal	Interest
2024	\$ 15,175	\$ 1,204	2024	\$ 2,172	\$ 806	2024	\$ 90	\$ 4
2025	9,788	915	2025	1,751	758	2025	94	2
2026	8,294	707	2026	1,409	719	2026	31	-
2027	5,185	555	2027	943	691	Total	\$ 215	\$ 6
2028	5,279	426	2028	932	668			
2029-2033	15,419	513	2029-2033	6,279	2,898			
Total	\$ 59,140	\$ 4,321	2034-2038	8,673	1,967			
			2039-2043	11,394	701			
			Total	\$ 33,553	\$ 9,207			

Annual debt service requirements for the business-type activities notes payable as of June 30, 2023, are summarized as follows:

Coyote Point Marina			Housing Authority	
Fiscal Year Ending June 30,	Principal	Interest	Fiscal Year Ending June 30,	Principal
2024	\$ 82	\$ 91	2024	\$ 1
2025	86	88	2025	-
2026	90	83	2026	-
2027	94	79	2027	-
2028	98	75	2028	-
2029-2033	353	312	2029-2033	-
2034-2038	364	232	2034-2038	-
2039-2043	455	140	2039-2043	-
2044-2046	327	31	2044-2048	-
Total requirements *	\$ 1,949	\$ 1,131	2049-2053	-
			2054-2057	30
			Total	\$ 31

* 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, 2023, the total principal due to the State is \$1,668.

Issuance of the 2023 Series A Refunding Lease Revenue Bonds

In April 2023, the JFA issued 2023 Series A Lease Revenue Bonds (Refunding Bonds) (the “2023A Bonds”) for a total of \$26.3 million with an interest rate of 5% and a bond premium of \$4.9 million. Together with other available moneys, the proceeds of the 2023A Bonds totaling \$31.3 million were used to refund the outstanding 2013 Bonds and pay costs of issuance. On the refunding date of the 2013 Bonds, certain bonds are not callable until July 2023. Thus, the proceeds were deposited into an escrow account to redeem the 2013 Bonds on July 15, 2023. In July 2023, the JPFA paid its scheduled outstanding principal amount of \$0.6 million plus interest to fully retire the 2013 Bonds.

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The JPFA in effect realized an economic gain of \$5.0 million (the difference between the present value of the debt service payments on the old debt and the present value of the debt service payments on the new debt) by reducing its aggregate debt service payments of \$5.5 million over the next 9 years. While the refunding resulted in an economic gain, the refunding also resulted in a \$1.0 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 \$152.1 million for the fiscal year ended June 30, 2023.

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, 2023, restricted net position for governmental activities was \$480.8 million as reported on the government-wide statement of net position, and approximately \$86.7 million of which was restricted by enabling legislation. Restricted net position for the Housing Authority (business-type activities) of \$1.5 million included the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. These funds are restricted by HUD as to use and must be approved before expending.
- *Unrestricted Net Position* represents net position of the County that is not restricted for any project or purpose.

NOTE 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
Nonspendable:			
Inventories	\$ 37	\$ -	\$ 306
Prepaid items	6,400	515	575
Long-term interfund advances	7,747	-	-
Long-term receivables	10,124	-	-
Total nonspendable	24,308	515	881
Restricted:			
American rescue plan act funds	304	-	-
Behavioral health services	323	-	-
Recall election	170	-	-
Health realignment	7,247	-	-
Calworks	178	-	-
Social services realignment	114,468	-	-
Medi-Cal	36,673	-	-
Health services programs	9,319	-	-
California assistance program for immigrants	21,363	-	-
Wraparound program	10,779	-	-
Homeless emergency aid program	166	-	-
Homeless housing assistance program	10,244	-	-
Other social services programs	4,676	-	-
Debt service	-	133,867	30,916
Road improvement	-	-	37,186
Fire services	-	-	4,095
Sewer maintenance	-	-	25,173
Lighting maintenance	-	-	22,428
Highway and transportation improvement	-	-	18,205
Waste management	-	-	5,246
Emergency care	-	-	2,232
Water services	-	-	17,255
Others	-	-	2,914
Total restricted	215,910	133,867	165,650
Assigned:			
Capital projects and improvements	4,256	-	200,524
Public services	3,140	-	2,150
Total assigned	7,396	-	202,674
Unassigned			
Total fund balances	\$ 2,103,725	\$ 134,382	\$ 369,117

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.

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
		(After five years of service, Plan 3 members can elect membership under the eligible contributory plan. Members currently working in a contributory plan with Plan 3 service may purchase an upgrade of their Plan 3 service. Plan 3 closed effective December 23, 2012.)		
		(If retirement occurs prior to age 65, benefit amount will be adjusted by an actuarial equivalent factor.)		
	Maximum COLA	No COLA	Not applicable	Not applicable
	FAC period	Highest 3 years (non-consecutive)	Not applicable	Not applicable
	Eligibility for service retirement	Age 65 with 10 years of service; reduced benefit at age 55 with 10 years of service.	Not applicable	Not applicable

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

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

(Continued)

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	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>	
Plan 4*	Hire date	7/13/97 - 8/6/11	7/13/97 - 7/9/11	7/13/97 - 1/7/12
		(Note: Plan 4 closed simultaneously with the implementation of Plans 5 and 6.)		
	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	7/10/11 - 12/31/12 ⁽¹⁾	1/8/12 - 12/31/12 ⁽¹⁾
		(Note: General Plan 5 members after 10 years of service can elect to transfer to Plan 4 and must pay the total actuarial equivalent cost of the increase in past service benefits at the date of transfer.)		
	Benefit factor	2%@61.25	3%@55	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 ⁽²⁾	7/10/11 - 12/31/12 ⁽²⁾
	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.

⁽¹⁾ Plan 5 is available for all Safety and Probation members.

⁽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" period.

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

Pension Plan Membership. Plan membership as of June 30, 2023 is displayed in the table below.

	Plan 1*	Plan 2*	Plan 3*	Plan 4*	Plan 5	Plan 7	Total
RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS							
General	1,110	2,292	124	1,272	41	55	4,894
Safety	250	269	-	181	9	9	718
Probation	86	123	-	110	-	1	320
Subtotal	<u>1,446</u>	<u>2,684</u>	<u>124</u>	<u>1,563</u>	<u>50</u>	<u>65</u>	<u>5,932</u>
INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)							
General	4	174	67	779	134	1,079	2,237
Safety	-	6	-	36	10	65	117
Probation	-	10	-	41	1	18	70
Subtotal	<u>4</u>	<u>190</u>	<u>67</u>	<u>856</u>	<u>145</u>	<u>1,162</u>	<u>2,424</u>
CURRENT MEMBERS, VESTED							
General	2	223	35	1,394	189	1,134	2,977
Safety	-	9	-	142	54	124	329
Probation	-	2	-	95	8	30	135
Subtotal	<u>2</u>	<u>234</u>	<u>35</u>	<u>1,631</u>	<u>251</u>	<u>1,288</u>	<u>3,441</u>
CURRENT MEMBERS, NON-VESTED							
General	-	-	2	2	58	1,688	1,750
Safety	-	1	-	-	16	115	132
Probation	-	-	-	-	-	11	11
Subtotal	<u>-</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>74</u>	<u>1,814</u>	<u>1,893</u>
Total Members	<u>1,452</u>	<u>3,109</u>	<u>228</u>	<u>4,052</u>	<u>520</u>	<u>4,329</u>	<u>13,690</u>

* Plans 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.

Note: As of June 30, 2023, there were no members in Plan 6.

Contributions. The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retirement. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Employer contribution rates for each tier are determined pursuant to Government Code Section 31453 of the 1937 Act. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost (the estimated amount necessary to finance benefits earned by members during the year) and an amount required to amortize the unfunded actuarial accrued liability. Contributions to the plan from the County were \$235.9 million and First 5 were \$0.3 million for the fiscal year ended June 30, 2023.

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

As of June 30, 2023, the County reported \$693.3 million for its proportionate share of the net pension liability, while First 5 reported \$1.1 million for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2022, 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, 2022. 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 94.19% as of the June 30, 2022 measurement date, which was an increase of 1.43% from its share measured as of June 30, 2021.

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For the fiscal year ended June 30, 2023, the County recognized pension expense of \$242.7 million and First 5 recognized pension expense of \$0.3 million. The County reported \$235.9 million and First 5 reported \$0.3 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, 2023, 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
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to measurement date	\$ 200,573	\$ 35,326	\$ 235,899	\$ 290
Changes of pension-related assumptions	106,683	20,076	126,759	159
Difference in actual and proportionate share of pension contributions	1,270	239	1,509	2
Differences between expected and actual pension experience	77,196	14,481	91,677	116
Differences between projected and actual earnings on pension investment	183,114	34,052	217,166	288
Total deferred outflows of resources	<u>\$ 568,836</u>	<u>\$ 104,174</u>	<u>\$ 673,010</u>	<u>\$ 855</u>
DEFERRED INFLOWS OF RESOURCES				
Changes in proportionate share of net pension liability	\$ 233	\$ 42	\$ 275	\$ -
Total deferred inflows of resources	<u>\$ 233</u>	<u>\$ 42</u>	<u>\$ 275</u>	<u>\$ -</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Gov't Total</u>	<u>First 5</u>
2024	\$ 146,248	\$ 27,666	\$ 173,914	\$ 222
2025	99,613	18,483	118,096	152
2026	2,377	451	2,828	8
2027	119,792	22,206	141,998	183

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(c) Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2022
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2017 to April 30, 2020
Amortization method	Level Percent of Projected Payroll
Amortization period	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2023. Subsequent changes in the UAAL are amortized over separate closed 15-year layers which are determined annually.
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.
Actuarial assumptions:	
Investment rate of return	6.42%
Inflation rate (CPI)	2.50%
Payroll growth rate	3.00%
Mortality	See the valuation report as of June 30, 2022, for details.

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Growth		
Public Equity	40.0%	4.0%
Private Equity	7.0%	7.7%
Opportunistic Credit	10.0%	3.9%
Diversifying		
Core Fixed Income	12.5%	1.8%
Absolute Return	7.0%	2.3%
Inflation Hedge		
Real Estate	9.0%	3.3%
Private Real Assets	4.0%	4.5%
Public Real Assets	5.0%	4.5%
Liquidity		
Cash Flow Match	4.5%	1.4%
Cash & Cash Overlay	1.0%	0.8%
Total	100%	

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Discount Rate. The investment rate of return assumption used to measure the total pension liability was 6.42% as of June 30, 2022, 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)

	Primary Government					
	1% Decrease:		Current Discount Rate:		1% Increase:	
	5.42%		6.42%		7.42%	
Total pension liability	\$	6,873.3	\$	6,006.8	\$	5,302.9
Fiduciary net position		5,313.5		5,313.5		5,313.5
Net pension liability		1,559.8		693.3		(10.5)
First 5						
	1% Decrease:		Current Discount Rate:		1% Increase:	
	5.42%		6.42%		7.42%	
	Total pension liability	\$	10.7	\$	9.3	\$
Fiduciary net position		8.2		8.2		8.2
Net pension liability		2.4		1.1		(0.0)

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

San Mateo County Supplemental Retirement Plan

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

Federal and State tax laws, and the 1937 Act limit the annual compensation that can be used to determine benefits in SamCERA. All County employees who were hired after July 1, 1996, are subject to the annual limit, which is \$305 thousand for calendar year 2022. 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 \$657 thousand into the Supplemental Retirement Plan.

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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, 2023, the County contributed \$1.4 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, 2023. During the fiscal year ended June 30, 2023, 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:

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

Health Plan of San Mateo

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

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

As of December 31, 2022, participant data for the Plan is as follows: 13 retired and beneficiaries, 59 inactive, and 304 active. The Plan does not issue a stand-alone financial report.

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As of December 31, 2022, HPSM recognized pension expense of \$3.4 million and established \$5.1 million in net pension liability. Deferred outflows and deferred inflows of resources are reported as follows:

	Health Plan of San Mateo (December 31, 2022)
DEFERRED OUTFLOWS OF RESOURCES	
Changes of pension-related assumptions	\$ 13
Differences between expected and actual pension experience	1,339
Differences between projected and actual earnings on pension investment	4,082
Total deferred outflows of resources	<u>\$ 5,434</u>
 DEFERRED INFLOWS OF RESOURCES	
Changes of pension-related assumptions	<u>\$ 8</u>
Total deferred inflows of resources	<u>\$ 8</u>

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

Year Ending December 31	<u>HPSM</u>
2023	\$ 876
2024	1,309
2025	1,615
2026	1,600
2027	26

The table below summarizes changes in the net pension (asset) liability for the fiscal year ended December 31, 2022:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Pension</u>	<u>Net Pension (Asset) Liability</u>
Balance at December 31, 2021	\$ 30,777	\$ 33,150	\$ (2,373)
Changes during the year:			
Service cost	2,014	-	2,014
Interest	2,422	-	2,422
Differences between expected and actual experience	147	-	147
Benefit payments	(1,009)	(1,009)	-
Employer contributions	-	2,096	(2,096)
Net investment income	-	(4,956)	4,956
Net changes	<u>3,574</u>	<u>(3,869)</u>	<u>7,443</u>
Balance at December 31, 2022	<u>\$ 34,351</u>	<u>\$ 29,281</u>	<u>\$ 5,070</u>

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Actuarial assumptions used by HPSM as of December 31, 2022:

Valuation date	12/31/2022
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed amortization
Asset valuation method	Market value
Actuarial assumptions:	
Projected salary increases	5.00%
Mortality	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, 2022.

	HPSM		
	1% Decrease:	Current Discount Rate:	1% Increase:
	6.50%	7.50%	8.50%
Net pension liability (asset) as of December 31, 2022	\$ 7,238	\$ 5,070	\$ 3,134

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

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

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

For the majority 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, 2023, 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	565.25	2%	90% of pre-65 Kaiser retiree only premium
≥20	659.09	4%	90% of pre-65 Kaiser retiree only premium

* Contribution amount is in dollars.

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

Credit Sick Leave Hours	
Years of Service	Hours
10-15	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, 2022 pension valuation for SamCERA.

Membership	
Actives	5,031
Retirees and beneficiaries receiving benefits	2,863

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, 2023, were as follows:

Employer contributions	\$ 15,050
Implicit rate subsidy	9,265
	<u>\$ 24,315</u>

Net OPEB Liability, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB. As of June 30, 2023, the County reported \$68.4 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, 2022 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, 2022. The County's portion of the net OPEB (asset)/liability, which includes First 5 was 97.7% as of June 30, 2022. The remaining portion of 2.3% 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, 2023, the County recognized OPEB expense of \$4.8 million and First 5 recognized \$6 thousand. The County reported \$23.7 million and First 5 reported \$34 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, 2023, 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
DEFERRED OUTFLOWS OF RESOURCES				
OPEB contributions subsequent to measurement date	\$ 19,484	\$ 4,320	\$ 23,804	\$ 34
Changes of OPEB-related assumptions	17,953	3,981	21,934	48
Differences between expected and actual OPEB experience	7,992	1,765	9,757	14
Differences between projected and actual earnings on OPEB investments	27,754	6,193	33,947	-
Total deferred outflows of resources	<u>\$ 73,183</u>	<u>\$ 16,259</u>	<u>\$ 89,442</u>	<u>\$ 96</u>
DEFERRED INFLOWS OF RESOURCES				
Changes of OPEB-related assumptions	\$ 24,706	\$ 5,446	\$ 30,152	\$ 100
Differences between expected and actual OPEB experience	17,996	4,032	22,028	83
Differences between projected and actual earnings on OPEB investments	-	-	-	23
Total deferred inflows of resources	<u>\$ 42,702</u>	<u>\$ 9,478</u>	<u>\$ 52,180</u>	<u>\$ 206</u>

* Housing Authority's portion is presented separately.

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities*</u>	<u>Primary Gov't Total</u>	<u>First 5</u>
2024	\$ (3,255)	\$ (697)	\$ (3,952)	\$ (46)
2025	2,066	472	2,538	(36)
2026	2,424	553	2,977	(38)
2027	9,791	2,135	11,926	-
2028	(2,640)	(559)	(3,199)	(21)
Thereafter	2,611	557	3,168	(3)

* Housing Authority's portion is presented separately.

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Actuarial Assumptions. The total OPEB liabilities in the June 30, 2022 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2022
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2017 to April 30, 2020
Actuarial assumptions:	
Discount rate	5.75%
Long-term expected rate of return	5.75%, net of investment expense
Inflation	2.50%
Payroll growth rate	3.00%
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
	2023-24 8.90%
	2024-25 6.70%
	2025-26 6.10%
	2026-27 5.50%
	2027-28 5.10%
	2028-29 4.90%
	2029-30 4.80%
	2030-31 4.60%
	2031-32 4.40%
	2032-43 4.30%
	2052-63 4.40%
	2072-73 4.00%
	After 2082 3.90%
Dental and vision cost trend	2023-24 2.00%
	2024-73 4.00%
	After 2073 3.90%

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

Asset Allocation	
Global Equity	34%
U.S. Fixed Income	41%
Treasury Inflation-Protected Securities (TIPS)	5%
Real Estate Investment Trusts (REITs)	17%
Commodities	3%
Total	100%

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, 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.

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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)

	Primary Government*		
	1% Decrease:	Current Discount Rate:	1% Increase:
	4.75%	5.75%	6.75%
Total OPEB liability	\$ 476.5	\$ 436.4	\$ 400.8
Fiduciary net position	367.9	367.8	367.9
Net OPEB (asset) liability	108.6	68.4	32.8

* Housing Authority's portion is separately presented.

	First 5		
	1% Decrease:	Current Discount Rate:	1% Increase:
	4.75%	5.75%	6.75%
Total OPEB liability	\$ (1.5)	\$ (1.4)	\$ (1.2)
Fiduciary net position	(1.1)	(1.1)	(1.1)
Net OPEB (asset) liability	(0.3)	(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)

	Primary Government*		
	1% Decrease:	Current Trend Rate:	1% Increase:
Total OPEB liability	\$ 397.7	\$ 436.4	\$ 481.6
Fiduciary net position	367.9	367.8	367.9
Net OPEB (asset) liability	29.8	68.4	113.6

* Housing Authority's portion is separately presented.

	First 5		
	1% Decrease:	Current Trend Rate:	1% Increase:
Total OPEB liability	\$ (1.2)	\$ (1.4)	\$ (1.5)
Fiduciary net position	(1.1)	(1.1)	(1.1)
Net OPEB (asset) liability	(0.1)	(0.2)	(0.4)

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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, 2022 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * (Asset) Liability
Balance at June 30, 2021	\$ 408,691	\$ 424,185	\$ (15,494)
Changes for the year:			
Service cost	14,706	-	14,706
Interest on total OPEB liability	23,680	-	23,680
Effect of plan changes	(6,315)	-	(6,315)
Effect of economic/demographic gains or losses	9,979	-	9,979
Effect of assumptions changes or inputs	15,198	-	15,198
Benefit payments	(23,450)	(23,450)	-
Employer contributions	-	26,383	(26,383)
Net investment income	-	(53,800)	53,800
Administrative expenses	-	(206)	206
Net changes	33,798	(51,073)	84,871
Balance at June 30, 2022	\$ 442,489	\$ 373,112	\$ 69,377

* Of the balance at June 30, 2022, \$68.4 million belonged to the primary government, (\$0.2) million to First 5, and \$1.2 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, 2021	\$ 390,096	\$ 404,885	\$ (14,789)
Changes for the year	32,971	(49,823)	82,794
Balance at June 30, 2022	\$ 423,067	\$ 355,062	\$ 68,005

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, 2023, the Housing Authority has 47 active and 7 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, 2023, 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, 2023, the Housing Authority reported \$0.4 million of net OPEB liability. The net OPEB 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 liability was determined by an actuarial valuation as of June 30, 2023. For the fiscal year ended June 30, 2023, 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.

	<u>Housing Authority</u>
DEFERRED OUTFLOWS OF RESOURCES	
Changes of OPEB-related assumptions	\$ 112
Differences between expected and actual OPEB experience	104
Differences between projected and actual earnings on OPEB investments	134
Total deferred outflows of resources	<u>\$ 350</u>
 DEFERRED INFLOWS OF RESOURCES	
Changes of OPEB-related assumptions	\$ 117
Differences between expected and actual OPEB experience	150
Total deferred inflows of resources	<u>\$ 267</u>

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

<u>Year Ending June 30</u>	<u>Housing Authority</u>
2024	\$ 37
2025	36
2026	56
2027	(4)
2028	(13)
Thereafter	(29)

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The changes in the net OPEB liability as of June 30, 2023 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 1,874	\$ 1,327	\$ 547
Changes recognized for the measurement period:			
Service cost	74	-	74
Interest on total OPEB liability	97	-	97
Effect of economic/demographic gains or losses	(91)	-	(91)
Changes of assumptions	(49)	-	(49)
Benefit payments	(15)	(15)	-
Employer contributions	-	116	(116)
Net investment income	-	51	(51)
Administrative expenses	-	(1)	1
Net changes	16	151	(135)
Balance at June 30, 2023	<u>\$ 1,890</u>	<u>\$ 1,478</u>	<u>\$ 412</u>

Actuarial Assumptions. The Housing Authority's Plan was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation using the following information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2023
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%	8.58%
U.S. Fixed Income	51%	5.67%
Treasury Inflation-Protected Securities	9%	3.90%
Real Estate Investment Trusts	14%	9.66%
Commodities	3%	5.18%
Total	<u>100%</u>	
Expected Arithmetic Return (30 years)		6.90%
Expected Geometric Return (30 years)		6.46%

Discount Rate. The discount rate used to measure the total OPEB liability was 5.75%, increased from 5.00% in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that Housing Authority

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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	\$ 594	\$ 412	\$ 250

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	\$ 230	\$ 412	\$ 622

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 \$60.2 million, as reported in the internal service funds at June 30, 2023, 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 \$53.8 million of the \$60.2 million reported was actuarially determined at a discount rate of 2%. The actuarially determined liability (which covers workers' compensation losses, general liability, and automobile liability) includes allocated loss adjustment expenses, case reserves, development of

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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 2022-23.

Changes to the claims liability for FY 2021-22 and FY 2022-23 are as follows:

Liability at June 30, 2021		\$ 55,337
Current year claims and changes in estimates		23,274
Payments on claims		<u>(20,463)</u>
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		<u><u>\$ 60,233</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, 2023, the Housing Authority paid \$0.2 million towards premium and received surplus distribution of \$17 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, 2023, the County’s General Fund had a total of \$6.9 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.

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

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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 \$191.1 million at June 30, 2023, 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. During the COVID-19 pandemic, the FMAP for non-MCE population was increased from 50% to 56.25% for certain programs. 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 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

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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, 2023, 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 FY11-FY20 for these sections are in process and expected to be closed in FY24.

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.

Payments received under Medi-Cal 2020 Waiver’s GPP are based on utilization and not dependent on CPEs. However, GPP claims are subject to State and federal audit and final reconciliation. The Medical Center has established reserves for the uncertainty of future financial impact of potential audit and reconciliation adjustments. The GPP program funding was scheduled to end June 30, 2020; however, on August 3, 2020, CMS approved a six-month extension through December 31, 2020 in response to the COVID-pandemic. On December 29, 2020, CMS approved an additional extension through December 31, 2021. On December 29, 2021, CMS approved a five-year extension through December 31, 2026 in conjunction with their approval of California’s latest 1115 waiver, California Advancing and Innovating Medi-Cal (CalAIM), which is described further below.

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Effective January 1, 2022, CalAIM is a five-year initiative designed to improve the quality of life and health outcomes of the population by implementing broad delivery system, program and payment reform across the Medi-Cal program. The major components of CalAIM build upon the successful outcomes of various pilots, including but not limited to the GPP, Whole Person Care (WPC), Health Homes Program (HHP), and the Coordinated Care Initiative (CCI) from the previous federal waivers and will result in a better quality of life for Medi-Cal members, in addition to long-term cost savings for the Medi-Cal program. Programmatic and funding details are still in development and management cannot reasonably estimate the financial impact at this time.

On December 3, 2014, CMS issued a final rule on Medicaid DSH payments. The Medical Center disputed the CMS final rule and joined five other public hospitals in a lawsuit filed against CMS to protect its ability to continue providing essential health care services to Medi-Cal and uninsured patients. On January 16, 2018, the United States District Court, Northern California, granted a Summary Judgement 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.

Management is working with the California Association of Public Hospitals and San Mateo County Health to evaluate the ultimate impact of this settlement, which is dependent on the outcome of final DSH audits for the years FY11 through FY13 for all public hospitals. Management estimates the 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 \$92.9 million in FY23 from HPSM, which includes \$81.8 million in FFS revenue, \$5.5 million in primary care capitation revenue, and \$5.6 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, 2023, 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, 2023, the Medical Center had \$1.8 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

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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 FY23, the Medical Center recognized \$19.0 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. An additional \$1.8 million in revenue was recognized in FY23 due to prior year adjustments.

Medical Center Net Charges for Services

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

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

Charity Care

The Medical Center provides 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 \$38.6 million for the fiscal year ended June 30, 2023. 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 \$60.6 million for the fiscal year ended June 30, 2023. Net charity charges over costs for the fiscal year ended June 30, 2023, amounted to \$22.0 million.

Genentech Tax Settlement

There are currently outstanding appeals before the San Mateo County Assessment Appeals Board (AAB) brought by Genentech with respect to the assessed values of its property for tax years 2000 through 2005. Genentech's appeal applications routinely claim a 50% reduction in the value of its properties as assessed by the County. In considering the Genentech assessment appeals, the AAB has determined that for several of appeals for tax year 2003, Genentech is entitled to have its application values applied. Depending upon interest and the precise calculations used to determine the reduction of assessed value, which are still to be decided by the AAB, the total refund and interest thereon, due from all affected taxing entities, is currently estimated to be between \$7 million and \$17 million. The Assessor filed a Writ of Mandate on August 24, 2016 seeking review of a portion of the AAB decision. On July 27, 2018, the court entered judgment in favor of the Assessor and remanded the matter to the AAB. Genentech appealed that decision on August 10, 2018. On June 26, 2020, the Appeals Court ruled in favor of Genentech, remanding the matter to the Superior Court for further disposition. Genentech has also filed separate claims against the County related to the AAB's decision. That case still has no trial date. Even if the Assessor prevails in Genentech's lawsuit, a minimum of approximately \$6.7 million in refunds, plus interest, will be due to Genentech, of which approximately \$0.9 million would be the County's share. The parties are currently engaged in settlement discussions and hope to resolve both the Writ matter and Genentech's separate lawsuit.

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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)**

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

1. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The County’s infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The maintained road subsystem of the road network, with a total value of \$100.8 million at June 30, 2023, 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 2022-23.

PCI Condition Rating	2023	2023	2022	2022	2021	2021
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Primary:						
Good to excellent (55-100)	143.03	91.0%	146.12	92.9%	146.11	93.1%
Substandard to fair (0-54)	14.18	9.0%	11.09	7.1%	10.75	6.9%
Total	<u>157.21</u>	<u>100.0%</u>	<u>157.21</u>	<u>100.0%</u>	<u>156.86</u>	<u>100.0%</u>
Secondary:						
Fair to excellent (40-100)	145.23	91.3%	141.13	88.7%	140.35	88.1%
Substandard (0-39)	13.88	8.7%	17.98	11.3%	18.95	11.9%
Total	<u>159.11</u>	<u>100.0%</u>	<u>159.11</u>	<u>100.0%</u>	<u>159.30</u>	<u>100.0%</u>

For the fiscal year ended June 30, 2023, the estimated maintenance and preservation cost exceeded the actual costs by \$255. 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	
2018	\$ 3,839	\$ 4,092	\$ (253)
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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2023			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
County's proportion of the collective net pension liability	75.01%	19.04%	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%
	2022			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
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%
	2021			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
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%
	2020			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
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%
	2019			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
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%

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	2018			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	77.21%	17.35%	0.11%	94.68%
County's proportionate share of the collective net pension liability	\$ 445,984	\$ 100,243	\$ 664	\$ 546,891
County's covered payroll	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%

	2017			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	78.39%	16.29%	0.11%	94.79%
County's proportionate share of the collective net pension liability	\$ 558,747	\$ 116,105	\$ 771	\$ 675,623
County's covered payroll	372,001	75,220	496	447,717
County's proportionate share of the collective net pension liability as a percentage of covered payroll	150.20%	154.35%	155.44%	150.90%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	83.25%	83.25%	83.25%

	2016			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	78.75%	15.92%	0.11%	94.78%
County's proportionate share of the collective net pension liability	\$ 387,414	\$ 78,341	\$ 517	\$ 466,272
County's covered payroll	358,061	72,402	478	430,941
County's proportionate share of the collective net pension liability as a percentage of covered payroll	108.20%	108.20%	108.20%	108.20%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	87.53%	87.53%	87.53%

	2015			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	79.06%	15.41%	0.10%	94.57%
County's proportionate share of the collective net pension liability	\$ 325,438	\$ 63,439	\$ 410	\$ 389,287
County's covered payroll	333,641	65,038	420	399,099
County's proportionate share of the collective net pension liability as a percentage of covered payroll	97.54%	97.54%	97.54%	97.54%
Plan fiduciary net position as a percentage of the total pension liability	88.88%	88.88%	88.88%	88.88%

Notes to Schedule 2:

Changes in Assumptions – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2014 and June 30, 2015, 7.20% as of June 30, 2016, 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 and June 30, 2022.

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, 2023
(In Thousands)

3. SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION PLAN

	2023			
	Governmental Activities	Business-type Activities	First 5	Total County
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%

	2022			
	Governmental Activities	Business-type Activities	First 5	Total County
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%

	2021			
	Governmental Activities	Business-type Activities	First 5	Total County
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%

	2020			
	Governmental Activities	Business-type Activities	First 5	Total County
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%

	2019			
	Governmental Activities	Business-type Activities	First 5	Total County
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%

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	2018			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 142,066	\$ 28,542	\$ 199	\$ 170,807
Contributions in relation to the contractually required contribution	169,696	28,542	199	198,437
Contribution deficiency (excess)	(27,630)	-	-	(27,630)
Covered payroll	413,793	93,007	616	507,416
Contributions as a percentage of covered payroll	41.01%	30.69%	32.31%	39.11%

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

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

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

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(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.

Actuarial Valuation (For Funding Purposes)					
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
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%	6.67%	6.75%	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	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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 *	7.00%	7.25%	7.25%	7.50%	7.50%
Inflation rate (CPI)	2.75%	3.00%	3.00%	3.25%	3.25%
Annual projected salary increases	3.25%	3.50%	3.50%	3.75%	3.75%
* Net of pension plan investment and administrative expenses					

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 2,014	\$ 1,851	\$ 1,761	\$ 1,556	\$ 1,409
Interest	2,422	2,157	1,842	1,655	1,494
Differences between expected and actual experience	147	243	1,515	562	580
Changes of assumptions	-	-	(15)	37	(2)
Benefit payments	(1,009)	(745)	(1,229)	(1,801)	(1,169)
Net change in total pension liability	3,574	3,506	3,874	2,009	2,312
Total pension liability beginning of year	30,777	27,271	23,397	21,388	19,076
Total pension liability end of year (a)	<u>\$ 34,351</u>	<u>\$ 30,777</u>	<u>\$ 27,271</u>	<u>\$ 23,397</u>	<u>\$ 21,388</u>
Plan fiduciary net pension					
Contributions	2,096	1,949	1,772	1,613	1,397
Net investment income	(4,956)	3,212	3,805	4,100	(1,086)
Benefit payments	(1,009)	(745)	(1,229)	(1,801)	(1,169)
Net change in Plan fiduciary net position	(3,869)	4,416	4,348	3,912	(858)
Plan fiduciary net position beginning of year	33,150	28,734	24,386	20,474	21,332
Plan fiduciary net position end of year (b)	<u>\$ 29,281</u>	<u>\$ 33,150</u>	<u>\$ 28,734</u>	<u>\$ 24,386</u>	<u>\$ 20,474</u>
Net pension liability (asset) end of year					
Plan's net pension liability (asset) (a) - (b)	\$ 5,070	\$ (2,373)	\$ (1,463)	\$ (989)	\$ 914
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.2%	107.7%	105.4%	104.2%	95.7%
Covered payroll	\$ 28,064	\$ 27,279	\$ 26,690	\$ 23,368	\$ 22,218
Net pension liability (asset) as a percentage of covered payroll	18.07%	-8.70%	-5.48%	-4.23%	4.11%

	2017	2016	2015
Total pension liability			
Service cost	\$ 1,343	\$ 1,187	\$ 1,253
Interest	1,369	1,265	1,284
Differences between expected and actual experience	642	365	(460)
Changes of assumptions	1	4	(1,472)
Benefit payments	(2,335)	(875)	(709)
Net change in total pension liability	1,020	1,946	(104)
Total pension liability beginning of year	18,056	16,110	16,214
Total pension liability end of year (a)	<u>\$ 19,076</u>	<u>\$ 18,056</u>	<u>\$ 16,110</u>
Plan fiduciary net pension			
Contributions	1,313	1,164	1,459
Net investment income	2,921	1,401	(71)
Benefit payments	(2,335)	(875)	(709)
Net change in Plan fiduciary net position	1,899	1,690	679
Plan fiduciary net position beginning of year	19,433	17,743	17,064
Plan fiduciary net position end of year (b)	<u>\$ 21,332</u>	<u>\$ 19,433</u>	<u>\$ 17,743</u>
Net pension liability (asset) end of year			
Plan's net pension liability (asset) (a) - (b)	\$ (2,256)	\$ (1,377)	\$ (1,633)
Plan fiduciary net position as a percentage of the total pension liability (asset)	111.8%	107.6%	110.1%
Covered payroll	\$ 20,084	\$ 18,168	\$ 16,554
Net pension liability (asset) as a percentage of covered payroll	-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, 2023
(In Thousands)

5. HPSM'S SCHEDULE OF CONTRIBUTIONS

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,096	\$ 1,949	\$ 1,772	\$ 1,613	\$ 1,397
Contributions related to actuarially determined contribution	2,096	1,949	1,772	1,613	1,397
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 28,064	\$ 27,279	\$ 26,690	\$ 23,368	\$ 22,218
Contributions as a percentage of covered payroll	7.47%	7.14%	6.64%	6.90%	6.29%
	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,313	\$ 1,164	\$ 1,437	\$ 1,368	\$ 1,322
Contributions related to actuarially determined contribution	1,313	1,164	1,459	1,333	1,362
Contribution deficiency (excess)	-	-	(22)	35	(40)
Covered payroll	\$ 20,084	\$ 18,168	\$ 16,536	\$ 15,990	\$ 14,769
Contributions as a percentage of covered payroll	6.54%	6.41%	8.82%	8.34%	9.22%

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
Total OPEB liability				
Service cost	\$ 14,706	\$ 13,966	\$ 16,580	\$ 15,792
Interest on total OPEB liability	23,680	25,704	27,776	27,284
Effect of plan changes	(6,315)	-	-	-
Effect of economic/demographic gains or losses	9,979	(24,929)	(1,428)	(198)
Effect of assumptions changes or inputs	15,198	7,997	(34,002)	529
Benefit payments	(23,450)	(22,368)	(22,338)	(22,213)
Net change in total OPEB liability	33,798	370	(13,412)	21,194
Total OPEB liability - beginning	408,691	408,321	421,733	400,539
Total OPEB liability - ending (a)	\$ 442,489	\$ 408,691	\$ 408,321	\$ 421,733
Plan fiduciary net position				
Employer contributions	\$ 26,383	\$ 28,692	\$ 28,208	\$ 29,161
Net investment income	(53,800)	69,120	16,491	21,175
Benefit payments	(23,450)	(22,368)	(22,338)	(22,213)
Administrative expenses	(206)	(190)	(165)	(148)
Net change in plan fiduciary net position	(51,073)	75,254	22,196	27,975
Plan fiduciary net position - beginning	424,185	348,931	326,735	298,760
Plan fiduciary net position - ending (b)	\$ 373,112	\$ 424,185	\$ 348,931	\$ 326,735
Net OPEB (asset) liability - ending (a) - (b)	\$ 69,377	\$ (15,494)	\$ 59,390	\$ 94,998
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	84.32%	103.79%	85.46%	77.47%
Covered payroll	\$ 720,348	\$ 669,632	\$ 644,963	\$ 611,331
Net OPEB (asset) liability as a percentage of covered payroll	9.63%	-2.31%	9.21%	15.54%

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	<u>FY 18-19</u>	<u>FY 17-18</u>
Total OPEB liability		
Service cost	\$ 15,531	\$ 16,688
Interest on total OPEB liability	25,033	28,031
Effect of economic/demographic gains or losses	4,193	(15,855)
Effect of assumptions changes or inputs	9,473	(51,538)
Benefit payments	<u>(19,913)</u>	<u>(21,496)</u>
Net change in total OPEB liability	34,317	(44,170)
Total OPEB liability - beginning	<u>366,222</u>	<u>410,392</u>
Total OPEB liability - ending (a)	<u><u>\$ 400,539</u></u>	<u><u>\$ 366,222</u></u>
Plan fiduciary net position		
Employer contributions	\$ 24,579	\$ 29,945
Net investment income	16,786	18,552
Benefit payments	(19,913)	(21,496)
Administrative expenses	<u>(142)</u>	<u>(124)</u>
Net change in plan fiduciary net position	21,310	26,877
Plan fiduciary net position - beginning	<u>277,450</u>	<u>250,573</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 298,760</u></u>	<u><u>\$ 277,450</u></u>
Net OPEB (asset) liability - ending (a) - (b)	<u><u>\$ 101,779</u></u>	<u><u>\$ 88,772</u></u>
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	74.59%	75.76%
Covered payroll	\$ 585,556	\$ 561,429
Net OPEB (asset) liability as a percentage of covered payroll	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 and June 30, 2023.

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 \$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, 2023
(In Thousands)

7. SCHEDULE OF OPEB CONTRIBUTIONS

	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Actuarially determined contribution	\$ 14,968	\$ 20,036	\$ 26,365	\$ 25,905	\$ 25,221
Contributions in relation to the actuarially determined contribution	24,315	26,383	28,692	28,208	29,161
Contribution deficiency (excess)	<u>\$ (9,347)</u>	<u>\$ (6,347)</u>	<u>\$ (2,327)</u>	<u>\$ (2,303)</u>	<u>\$ (3,940)</u>
Covered payroll	\$ 696,577	\$ 720,348	\$ 669,632	\$ 644,963	\$ 611,331
Contributions as a percentage of covered payroll	3.49%	3.66%	4.28%	4.37%	4.77%
	FY 17-18	FY 16-17			
Actuarially determined contribution	\$ 23,579	\$ 29,945			
Contributions in relation to the actuarially determined contribution	24,579	29,945			
Contribution deficiency (excess)	<u>\$ (1,000)</u>	<u>\$ -</u>			
Covered payroll	\$ 585,556	\$ 561,429			
Contributions as a percentage of covered payroll	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, 2023
(In Thousands)

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

	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Total OPEB liability					
Service cost	\$ 74	\$ 59	\$ 49	\$ 58	\$ 30
Interest on total OPEB liability	97	87	92	92	76
Effect of economic/demographic gains or losses	(91)	129	(23)	(72)	(40)
Effect of assumptions changes or inputs	(49)	(60)	33	(44)	214
Benefit payments	(15)	(30)	(33)	(23)	(13)
Net change in total OPEB liability	<u>16</u>	<u>185</u>	<u>118</u>	<u>11</u>	<u>267</u>
Total OPEB liability - beginning	<u>1,874</u>	<u>1,689</u>	<u>1,571</u>	<u>1,560</u>	<u>1,293</u>
Total OPEB liability - ending (a)	<u>\$ 1,890</u>	<u>\$ 1,874</u>	<u>\$ 1,689</u>	<u>\$ 1,571</u>	<u>\$ 1,560</u>
Plan fiduciary net position					
Employer contributions	\$ 116	\$ 77	\$ 74	\$ 93	\$ 52
Net investment income	51	(188)	171	64	77
Benefit payments	(15)	(30)	(33)	(23)	(13)
Administrative expenses	(1)	(1)	(1)	(1)	(1)
Net change in plan fiduciary net position	<u>151</u>	<u>(142)</u>	<u>211</u>	<u>133</u>	<u>115</u>
Plan fiduciary net position - beginning	<u>1,327</u>	<u>1,469</u>	<u>1,258</u>	<u>1,125</u>	<u>1,010</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,478</u>	<u>\$ 1,327</u>	<u>\$ 1,469</u>	<u>\$ 1,258</u>	<u>\$ 1,125</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 412</u>	<u>\$ 547</u>	<u>\$ 220</u>	<u>\$ 313</u>	<u>\$ 435</u>
Plan fiduciary net position as a percentage of the total OPEB liability	78.20%	70.80%	86.98%	80.07%	72.10%
Covered payroll	\$ 3,688	\$ 4,487	\$ 4,319	\$ 3,949	\$ 3,644
Net OPEB liability as a percentage of covered payroll	11.17%	12.19%	5.09%	7.93%	11.94%
	<u>FY 17-18</u>				
Total OPEB liability					
Service cost	\$ 31				
Interest on total OPEB liability	71				
Effect of economic/demographic gains or losses	27				
Effect of assumptions changes or inputs	(22)				
Benefit payments	(36)				
Net change in total OPEB liability	<u>71</u>				
Total OPEB liability - beginning	<u>1,222</u>				
Total OPEB liability - ending (a)	<u>\$ 1,293</u>				
Plan fiduciary net position					
Employer contributions	\$ 55				
Net investment income	44				
Benefit payments	(6)				
Administrative expenses	(1)				
Net change in plan fiduciary net position	<u>92</u>				
Plan fiduciary net position - beginning	<u>918</u>				
Plan fiduciary net position - ending (b)	<u>\$ 1,010</u>				
Net OPEB liability - ending (a) - (b)	<u>\$ 283</u>				
Plan fiduciary net position as a percentage of the total OPEB liability	78.08%				
Covered payroll	\$ 3,351				
Net OPEB liability as a percentage of covered payroll	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, 2023
(In Thousands)

9. HOUSING AUTHORITY'S SCHEDULE OF CONTRIBUTIONS

	<u>FY 22-23</u>	<u>FY 21-22</u>	<u>FY 20-21</u>	<u>FY 19-20</u>	<u>FY 18-19</u>
Actuarially determined contribution	\$ 116	\$ 77	\$ 74	\$ 93	\$ 52
Contributions in relation to the actuarially determined contribution	<u>116</u>	<u>77</u>	<u>74</u>	<u>93</u>	<u>52</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,688	\$ 4,487	\$ 4,319	\$ 3,949	\$ 3,644
Contributions as a percentage of covered payroll	3.15%	1.72%	1.71%	2.36%	1.43%
	<u>FY 17-18</u>	<u>FY 16-17</u>			
Actuarially determined contribution	\$ 55	\$ 46			
Contributions in relation to the actuarially determined contribution	<u>55</u>	<u>46</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
Covered payroll	\$ 3,351	\$ 3,314			
Contributions as a percentage of covered payroll	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, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 931,690	\$ 931,690	\$ -	667,148	\$ (264,542)
Resources (inflows):					
Taxes	877,457	880,879	3,422	991,754	110,875
Licenses and permits	9,072	9,072	-	8,153	(919)
Fines, forfeitures and penalties	6,667	6,667	-	5,251	(1,416)
Use of money and property	20,891	20,891	-	45,084	24,193
Intergovernmental revenues	751,296	758,957	7,661	608,735	(150,222)
Charges for services	196,556	196,606	50	176,181	(20,425)
Interfund revenue	85,408	86,740	1,332	(159)	(86,899)
Miscellaneous revenue	32,712	33,304	592	34,740	1,436
Other financing sources	19,516	20,611	1,095	15,508	(5,103)
Amounts available for appropriation	1,999,575	2,013,727	14,152	1,885,247	(128,480)
General Government					
Board of Supervisors - Special Projects					
Salaries and benefits	5,043	5,043	-	4,618	425
Services and supplies	357	357	-	284	73
Other charges	460	460	-	401	59
Other financing uses	15	15	-	19	(4)
Intrafund transfers	(77)	(77)	-	-	(77)
Total Board of Supervisors - Special Projects	5,798	5,798	-	5,322	476
County Executive/Clerk of the Board					
Salaries and benefits	13,715	13,815	100	13,500	315
Services and supplies	22,265	23,410	1,145	15,134	8,276
Other charges	1,469	1,569	100	1,395	174
Other financing uses	215	215	-	217	(2)
Intrafund transfers	(1,808)	(1,808)	-	(1,629)	(179)
Contingencies	3,665	3,665	-	-	3,665
Total County Executive/Clerk of the Board	39,521	40,866	1,345	28,617	12,249
Special Services					
Salaries and benefits	1,337	1,337	-	597	740
Services and supplies	476	476	-	213	263
Other charges	22,013	23,013	1,000	23,029	(16)
Capital Assets	-	-	-	45	(45)
Other financing uses	26	26	-	26	-
Intrafund transfers	(19,917)	(20,917)	(1,000)	(20,355)	(562)
Contingencies	959	959	-	-	959
Total Special Services	4,894	4,894	-	3,555	1,339
County Executive Office					
Salaries and benefits	133	133	-	125	8
Services and supplies	397	327	(70)	55	272
Other charges	250	320	70	317	3
Other financing uses	18	18	-	17	1
Total County Executive Office	798	798	-	514	284
Assessor-Clerk-Recorder					
Salaries and benefits	30,476	30,476	-	29,282	1,194
Services and supplies	17,618	17,498	(120)	10,179	7,319
Other charges	2,812	3,039	227	2,881	158
Capital assets	10,730	10,623	(107)	2,823	7,800
Other financing uses	1,378	1,378	-	621	757
Intrafund transfers	(18,718)	(18,718)	-	(9,301)	(9,417)
Contingencies	1,431	1,431	-	-	1,431
Total Assessor-Clerk-Recorder	45,727	45,727	-	36,485	9,242

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Controller's Office					
Salaries and benefits	10,964	10,964	-	9,434	1,530
Services and supplies	4,352	4,336	(16)	2,957	1,379
Other charges	2,680	2,680	-	1,491	1,189
Capital assets	-	16	16	16	-
Other financing uses	203	203	-	203	-
Intrafund transfers	(2,046)	(2,046)	-	(647)	(1,399)
Contingencies	2,154	2,154	-	-	2,154
Total Controller's Office	18,307	18,307	-	13,454	4,853
Tax Collector/Treasurer					
Salaries and benefits	5,672	5,672	-	3,686	1,986
Services and supplies	6,372	6,372	-	3,348	3,024
Other charges	2,012	2,012	-	1,421	591
Other financing uses	183	183	-	172	11
Intrafund transfers	(903)	(903)	-	(882)	(21)
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	13,603	13,603	-	7,745	5,858
County Attorney					
Salaries and benefits	15,124	14,554	(570)	14,548	6
Services and supplies	1,519	2,089	570	1,791	298
Other charges	813	813	-	724	89
Other financing uses	26	26	-	25	1
Intrafund transfers	(2,891)	(2,891)	-	(2,890)	(1)
Contingencies	6,543	6,543	-	-	6,543
Total County Attorney	21,134	21,134	-	14,198	6,936
Human Resources					
Salaries and benefits	18,497	18,497	-	16,665	1,832
Services and supplies	3,799	3,799	-	2,155	1,644
Other charges	1,933	1,933	-	1,736	197
Other financing uses	1,157	1,157	-	82	1,075
Intrafund transfers	(1,901)	(1,901)	-	(1,374)	(527)
Contingencies	512	512	-	-	512
Total Human Resources	23,997	23,997	-	19,264	4,733
Information Services					
Salaries and benefits	33,022	33,022	-	28,316	4,706
Services and supplies	42,767	35,951	(6,816)	13,622	22,329
Other charges	2,790	2,790	-	2,752	38
Capital assets	57	6,873	6,816	2,828	4,045
Other financing uses	308	308	-	362	(54)
Intrafund transfers	(33,728)	(33,728)	-	(31,210)	(2,518)
Contingencies	3,107	3,107	-	-	3,107
Total Information Services	48,323	48,323	-	16,670	31,653
Public Works					
Salaries and benefits	38,196	37,890	(306)	31,616	6,274
Services and supplies	25,035	26,667	1,632	22,440	4,227
Other charges	8,522	8,527	5	6,448	2,079
Capital assets	70	70	-	-	70
Other financing uses	632	743	111	736	7
Intrafund transfers	(30,733)	(30,813)	(80)	(31,141)	328
Contingencies	5,969	5,859	(110)	-	5,859
Total Public Works	47,691	48,943	1,252	30,099	18,844

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Non-Departmental Services					
Salaries and benefits	57,690	57,690	-	2,516	55,174
Services and supplies	133,581	133,588	7	52,872	80,716
Other charges	148,645	138,853	(9,792)	36,804	102,049
Capital assets	65,738	65,738	-	1,648	64,090
Other financing uses	307,510	317,510	10,000	94,995	222,515
Intrafund transfers	(484)	(484)	-	(83)	(401)
Contingencies	167,128	167,128	-	-	167,128
Total Non-Departmental Services	879,808	880,023	215	188,752	691,271
Total General Government	1,149,601	1,152,413	2,812	364,675	787,738
Public Protection					
Public Safety Communication					
Salaries and benefits	17,204	17,166	(38)	16,531	635
Services and supplies	5,740	5,732	(8)	1,220	4,512
Other charges	1,322	1,360	38	1,203	157
Capital assets	75	75	-	14	61
Other financing uses	53	61	8	58	3
Intrafund transfers	(350)	(350)	-	(1,264)	914
Contingencies	1,907	1,907	-	-	1,907
Total Public Safety Communication	25,951	25,951	-	17,761	8,190
Agricultural Commissioner					
Salaries and benefits	6,454	6,454	-	5,696	758
Services and supplies	1,242	1,247	5	559	688
Other charges	655	655	-	647	8
Other financing uses	9	9	-	7	2
Contingencies	512	512	-	-	512
Total Agricultural Commissioner	8,872	8,877	5	6,909	1,968
Grand Jury					
Services and supplies	124	124	-	107	17
Other charges	1	1	-	-	1
Total Grand Jury	125	125	-	107	18
Message Switch					
Services and supplies	747	747	-	498	249
Other charges	212	212	-	5	207
Intrafund transfers	(195)	(195)	-	(131)	(64)
Contingencies	2,074	2,074	-	-	2,074
Total Message Switch	2,838	2,838	-	372	2,466
District Attorney					
Salaries and benefits	37,812	37,812	-	36,193	1,619
Services and supplies	2,271	2,871	600	2,148	723
Other charges	2,540	2,538	(2)	2,462	76
Other financing uses	154	156	2	156	-
Intrafund transfers	(453)	(453)	-	(255)	(198)
Contingencies	7,501	7,501	-	-	7,501
Total District Attorney	49,825	50,425	600	40,704	9,721
Child Support Services					
Salaries and benefits	9,585	9,585	-	9,245	340
Services and supplies	197	197	-	191	6
Other charges	764	764	-	588	176
Other financing uses	195	195	-	193	2
Intrafund transfers	(266)	(266)	-	-	(266)
Total Child Support Services	10,475	10,475	-	10,217	258

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
County Support of Courts					
Services and supplies	1,535	1,535	-	903	632
Other charges	20,443	20,443	-	16,523	3,920
Other financing uses	8	8	-	-	8
Contingencies	684	684	-	-	684
Total County Support of Courts	22,670	22,670	-	17,426	5,244
Private Defender Program					
Services and supplies	22,977	22,977	-	20,888	2,089
Other charges	115	115	-	25	90
Other financing uses	37	37	-	37	-
Total Private Defender Program	23,129	23,129	-	20,950	2,179
Sheriff					
Salaries and benefits	213,994	214,478	484	208,259	6,219
Services and supplies	36,487	37,085	598	28,463	8,622
Other charges	23,671	23,617	(54)	22,184	1,433
Capital assets	31,035	31,351	316	19,826	11,525
Other financing uses	14,930	14,930	-	14,895	35
Intrafund transfers	(2,794)	(2,794)	-	(4,017)	1,223
Contingencies	3,246	3,246	-	-	3,246
Total Sheriff	320,569	321,913	1,344	289,610	32,303
Probation					
Salaries and benefits	71,336	71,336	-	52,462	18,874
Services and supplies	7,445	7,445	-	5,578	1,867
Other charges	10,650	10,650	-	9,426	1,224
Capital assets	1,500	1,500	-	7	1,493
Other financing uses	6,452	6,452	-	6,427	25
Intrafund transfers	(133)	(133)	-	(271)	138
Contingencies	35,286	35,286	-	-	35,286
Total Probation	132,536	132,536	-	73,629	58,907
Coroner's Office					
Salaries and benefits	3,104	3,104	-	3,024	80
Services and supplies	1,440	1,381	(59)	1,126	255
Other charges	490	520	30	500	20
Capital assets	-	29	29	16	13
Other financing uses	19	19	-	19	-
Intrafund transfers	(88)	(88)	-	-	(88)
Contingencies	315	315	-	-	315
Total Coroner's Office	5,280	5,280	-	4,685	595
Fire Protection					
Services and supplies	16,167	15,917	(250)	13,123	2,794
Other charges	625	625	-	459	166
Capital assets	2,570	3,619	1,049	262	3,357
Other financing uses	647	897	250	794	103
Intrafund transfers	-	-	-	-	-
Total Fire Protection	20,009	21,058	1,049	14,638	6,420
Planning					
Salaries and benefits	13,442	13,067	(375)	10,969	2,098
Services and supplies	3,824	4,578	754	3,599	979
Other charges	1,353	1,378	25	1,377	1
Other financing uses	48	48	-	47	1
Intrafund transfers	(356)	(356)	-	(462)	106
Contingencies	1,296	1,296	-	-	1,296
Total Planning	19,607	20,011	404	15,530	4,481

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Office of Sustainability					
Salaries and benefits	5,342	5,062	(280)	3,960	1,102
Services and supplies	8,114	8,404	290	3,963	4,441
Other charges	881	1,286	405	887	399
Other financing uses	20	20	-	18	2
Intrafund transfers	(158)	(158)	-	-	(158)
Contingencies	2,260	2,260	-	-	2,260
Total Office of Sustainability	16,459	16,874	415	8,828	8,046
Department of Emergency Management					
Salaries and benefits	1,983	1,875	(108)	1,394	481
Services and supplies	1,623	2,678	1,055	1,674	1,004
Other charges	1,128	1,148	20	992	156
Capital assets	65	-	(65)	-	-
Other financing uses	29	29	-	29	-
Intrafund transfers	150	150	-	-	150
Contingencies	154	154	-	-	154
Total Department of Emergency Management	5,132	6,034	902	4,089	1,945
Total Public Protection	663,477	668,196	4,719	525,455	142,741
Health and Sanitation					
Health Services Administration					
Salaries and benefits	6,385	6,425	40	6,360	65
Services and supplies	1,764	1,742	(22)	1,549	193
Other charges	1,066	1,026	(40)	579	447
Capital assets	50	50	-	5	45
Other financing uses	4	26	22	6	20
Intrafund transfers	(3,242)	(3,242)	-	(2,870)	(372)
Contingencies	417	417	-	-	417
Total Health Services Administration	6,444	6,444	-	5,629	815
Health Coverage Unit					
Salaries and benefits	4,450	4,450	-	4,290	160
Services and supplies	4,182	4,182	-	1,511	2,671
Other charges	2,443	2,443	-	2,192	251
Contingencies	385	385	-	-	385
Total Health Coverage Unit	11,460	11,460	-	7,993	3,467
Health Policy Plan Promotion					
Salaries and benefits	36,916	39,236	2,320	31,144	8,092
Services and supplies	17,213	17,617	404	17,214	403
Other charges	4,047	4,047	-	3,938	109
Capital assets	250	800	550	277	523
Other financing uses	53	53	-	371	(318)
Intrafund transfers	(1,958)	(1,958)	-	(1,616)	(342)
Contingencies	845	845	-	-	845
Total Health Policy Plan Promotion	57,366	60,640	3,274	51,328	9,312
Health IT					
Salaries and benefits	6,680	6,680	-	4,399	2,281
Services and supplies	5,406	5,406	-	3,356	2,050
Other charges	610	610	-	582	28
Intrafund transfers	(6,723)	(6,723)	-	(5,302)	(1,421)
Total Health IT	5,973	5,973	-	3,035	2,938
Emergency Medical Services					
Salaries and benefits	2,693	2,443	(250)	2,339	104
Services and supplies	7,710	7,835	125	7,779	56
Other charges	491	616	125	579	37
Contingencies	490	490	-	-	490
Total Emergency Medical Services	11,384	11,384	-	10,697	687

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Contributions to Medical Center					
Services and supplies	44	44	-	44	-
Other charges	-	-	-	23,053	(23,053)
Other financing uses	65,153	65,153	-	65,153	-
Total Contributions to Medical Center	65,197	65,197	-	88,250	(23,053)
Environmental Health Services					
Salaries and benefits	16,541	15,984	(557)	15,644	340
Services and supplies	4,020	4,532	512	4,181	351
Other charges	2,009	2,048	39	2,047	1
Capital assets	-	6	6	6	-
Other financing uses	3	3	-	3	-
Intrafund transfers	(49)	(49)	-	(58)	9
Contingencies	807	807	-	-	807
Total Environmental Health Services	23,331	23,331	-	21,823	1,508
Behavioral Health Services					
Salaries and benefits	102,067	102,067	-	90,452	11,615
Services and supplies	94,770	91,084	(3,686)	83,670	7,414
Other charges	69,834	69,834	-	62,581	7,253
Capital assets	-	3,756	3,756	3,756	-
Other financing uses	3,155	3,155	-	3,121	34
Intrafund transfers	(3,130)	(3,130)	-	(1,663)	(1,467)
Contingencies	4,005	4,005	-	-	4,005
Total Behavioral Health Services	270,701	270,771	70	241,917	28,854
Family Health Services					
Salaries and benefits	35,385	35,385	-	30,489	4,896
Services and supplies	5,402	5,402	-	3,418	1,984
Other charges	2,119	2,119	-	2,107	12
Capital assets	678	650	(28)	157	493
Other financing uses	4	32	28	37	(5)
Intrafund transfers	(2,566)	(2,566)	-	(2,034)	(532)
Contingencies	2,353	2,353	-	-	2,353
Total Family Health Services	43,375	43,375	-	34,174	9,201
Correctional Health Services					
Salaries and benefits	20,544	20,194	(350)	20,148	46
Services and supplies	7,315	9,160	1,845	9,120	40
Other charges	1,115	1,422	307	1,420	2
Capital assets	-	80	80	-	80
Intrafund transfers	(298)	(298)	-	(397)	99
Contingencies	474	474	-	-	474
Total Correctional Health Services	29,150	31,032	1,882	30,291	741
Total Health and Sanitation	524,381	529,607	5,226	495,137	34,470
Public Assistance					
Public Assistance					
Aging & Adult Services					
Salaries and benefits	27,877	27,877	-	23,780	4,097
Services and supplies	5,358	5,368	10	4,786	582
Other charges	15,096	15,096	-	9,901	5,195
Other financing uses	12	12	-	12	-
Intrafund transfers	(2,528)	(2,528)	-	(2,163)	(365)
Contingencies	912	912	-	-	912
Total Aging & Adult Services	46,727	46,737	10	36,316	10,421

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
In Home Support Services - Public Authority					
Other charges	3,702	3,702	-	-	3,702
Other financing uses	-	-	-	3,702	(3,702)
Total In Home Support Services - Public Authority	3,702	3,702	-	3,702	-
Human Services Agency					
Salaries and benefits	139,703	140,138	435	120,921	19,217
Services and supplies	70,820	66,036	(4,784)	45,360	20,676
Other charges	64,454	64,867	413	53,399	11,468
Capital assets	720	720	-	213	507
Other financing uses	1,410	5,675	4,265	2,685	2,990
Intrafund transfers	(2,249)	(2,249)	-	(3,051)	802
Contingencies	38,872	38,872	-	-	38,872
Total Human Services Agency	313,730	314,059	329	219,527	94,532
Department of Housing					
Salaries and benefits	4,446	4,446	-	3,950	496
Services and supplies	644	1,144	500	707	437
Other charges	130,158	129,638	(520)	31,980	97,658
Other financing uses	-	1,020	1,020	968	52
Intrafund transfers	(10,000)	(10,000)	-	(9,517)	(483)
Total Department of Housing	125,248	126,248	1,000	28,088	98,160
Total Public Assistance	489,407	490,746	1,339	287,633	203,113
Recreation					
Parks & Recreation					
Salaries and benefits	14,516	14,986	470	13,782	1,204
Services and supplies	8,106	10,592	2,486	5,089	5,503
Other charges	2,478	2,578	100	2,514	64
Capital assets	352	352	-	98	254
Other financing uses	12	12	-	12	-
Intrafund transfers	(253)	(3,253)	(3,000)	(190)	(3,063)
Contingencies	2,570	2,570	-	-	2,570
Total Parks & Recreation	27,781	27,837	56	21,305	6,532
Total Recreation	27,781	27,837	56	21,305	6,532
Contingencies					
Contingencies	76,618	76,618	-	-	76,618
Total Contingencies	76,618	76,618	-	-	76,618
Total charges to appropriations	2,931,265	2,945,417	14,152	1,694,205	1,251,212
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 858,190	\$ 858,190

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (page 112)	\$ 1,885,247
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	159
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(29,788)
Receipts from programs that are not budgeted	<u>60,222</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 1,915,840</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 118)	\$ 1,694,205
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.	159
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.	116
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(196,225)
Disbursements for programs that are not budgeted	<u>(55,829)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 1,442,426</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, 2023
(In Thousands)

BUDGETARY BASIS OF ACCOUNTING

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority and certain other special revenue funds, the County 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 object level (e.g., salaries and benefits) within a budget unit in a fund. Budget expenditures are enacted into law through the passage of an Appropriation Ordinance. The ordinance sets limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County 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.

Contribution to Medical Center budget unit included actual amount of \$23.1 million not budgeted due to intergovernmental revenues accrual.



Combining and Individual Fund Statements and Schedules



Nonmajor Governmental Funds

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 149,468	\$ -	\$ 216,313	\$ 365,781
Restricted cash and investments	-	30,725	-	30,725
Receivables (net):				
Accounts	92	-	22	114
Interest	1,306	191	1,235	2,732
Taxes	863	-	-	863
Other	-	-	3	3
Due from other funds	645	-	-	645
Due from other governmental agencies	7,573	-	500	8,073
Prepaid items	133	-	442	575
Inventories	306	-	-	306
Total assets	<u>\$ 160,386</u>	<u>\$ 30,916</u>	<u>\$ 218,515</u>	<u>\$ 409,817</u>
LIABILITIES				
Accounts payable	\$ 10,265	\$ -	\$ 16,976	\$ 27,241
Accrued salaries and benefits	326	-	-	326
Due to other funds	2,618	-	53	2,671
Unearned revenues	773	-	20	793
Deposits	13	-	-	13
Advances from other funds	6,018	-	-	6,018
Total liabilities	<u>20,013</u>	<u>-</u>	<u>17,049</u>	<u>37,062</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>3,138</u>	<u>-</u>	<u>500</u>	<u>3,638</u>
Total deferred inflows of resources	<u>3,138</u>	<u>-</u>	<u>500</u>	<u>3,638</u>
FUND BALANCES				
Nonspendable	439	-	442	881
Restricted	134,734	30,916	-	165,650
Assigned	2,150	-	200,524	202,674
Unassigned	(88)	-	-	(88)
Total fund balances	<u>137,235</u>	<u>30,916</u>	<u>200,966</u>	<u>369,117</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 160,386</u>	<u>\$ 30,916</u>	<u>\$ 218,515</u>	<u>\$ 409,817</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, 2023
(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ 22,469	\$ -	\$ 6,080	\$ 28,549
Licenses and permits	3,592	-	-	3,592
Intergovernmental	59,564	-	39,188	98,752
Charges for services	29,005	-	33,213	62,218
Fines, forfeitures and penalties	830	-	-	830
Rents and concessions	69	-	-	69
Investment loss	3,793	566	2,411	6,770
Other	1,037	-	7,570	8,607
Total revenues	120,359	566	88,462	209,387
Expenditures:				
Current:				
General government	807	-	-	807
Public protection	4,088	-	-	4,088
Public ways and facilities	28,047	-	-	28,047
Health and sanitation	29,723	-	-	29,723
Public assistance	32,273	-	-	32,273
Capital outlay	9,021	-	115,717	124,738
Debt service:				
Principal	157	-	-	157
Interest	58	-	-	58
Total expenditures	104,174	-	115,717	219,891
Excess (deficiency) of revenues over (under) expenditures	16,185	566	(27,255)	(10,504)
Other financing sources (uses):				
Leases	141	-	-	141
Transfers in	5,403	40,628	111,209	157,240
Transfers out	(16,882)	(40,944)	(15,445)	(73,271)
Total other financing sources (uses)	(11,338)	(316)	95,764	84,110
Net change in fund balances	4,847	250	68,509	73,606
Fund balances - beginning	132,388	30,666	132,457	295,511
Fund balances - end	\$ 137,235	\$ 30,916	\$ 200,966	\$ 369,117

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, 2023
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
ASSETS						
Cash and investments	\$ 33,454	\$ 3,472	\$ 17,678	\$ 38,787	\$ 22,330	\$ 2,630
Receivables (net):						
Accounts	-	-	42	41	-	9
Interest	255	127	142	322	177	20
Taxes	-	359	312	60	105	-
Due from other funds	150	472	-	17	-	-
Due from other governmental agencies	2,415	10	5	476	480	173
Prepaid items	38	-	36	46	-	-
Inventories	306	-	-	-	-	-
Total assets	<u>\$ 36,618</u>	<u>\$ 4,440</u>	<u>\$ 18,215</u>	<u>\$ 39,749</u>	<u>\$ 23,092</u>	<u>\$ 2,832</u>
LIABILITIES						
Accounts payable	\$ 893	\$ -	\$ 531	\$ 8,418	\$ 24	\$ 184
Accrued salaries and benefits	222	-	-	25	-	-
Due to other funds	89	1	5	38	1	234
Unearned revenues	-	320	274	53	93	9
Deposits	9	-	4	-	-	-
Advances from other funds	217	-	55	5,658	88	-
Total liabilities	<u>1,430</u>	<u>321</u>	<u>869</u>	<u>14,192</u>	<u>206</u>	<u>427</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	64	24	26	338	487	173
Total deferred inflows of resources	<u>64</u>	<u>24</u>	<u>26</u>	<u>338</u>	<u>487</u>	<u>173</u>
FUND BALANCES						
Nonspendable	344	-	36	46	-	-
Restricted	32,630	4,095	17,284	25,173	22,399	2,232
Assigned	2,150	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>35,124</u>	<u>4,095</u>	<u>17,320</u>	<u>25,219</u>	<u>22,399</u>	<u>2,232</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,618</u>	<u>\$ 4,440</u>	<u>\$ 18,215</u>	<u>\$ 39,749</u>	<u>\$ 23,092</u>	<u>\$ 2,832</u>

(Continued)

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023
(In Thousands)

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 18,072	\$ 4,507	\$ 5,442	\$ 205	\$ 2,891	\$ 149,468	ASSETS
-	-	-	-	-	92	Cash and investments
146	43	48	4	22	1,306	Receivables (net):
-	-	-	-	27	863	Accounts
-	6	-	-	-	645	Interest
-	-	-	3,948	66	7,573	Taxes
10	-	3	-	-	133	Due from other funds
-	-	-	-	-	306	Due from other governmental agencies
-	-	-	-	-	-	Prepaid items
<u>\$ 18,228</u>	<u>\$ 4,556</u>	<u>\$ 5,493</u>	<u>\$ 4,157</u>	<u>\$ 3,006</u>	<u>\$ 160,386</u>	Inventories
						Total assets
\$ 13	\$ -	\$ 188	\$ 14	\$ -	\$ 10,265	LIABILITIES
-	-	41	38	-	326	Accounts payable
-	-	15	2,235	-	2,618	Accrued salaries and benefits
-	-	-	-	24	773	Due to other funds
-	-	-	-	-	13	Unearned revenues
-	-	-	-	-	6,018	Deposits
<u>13</u>	<u>-</u>	<u>244</u>	<u>2,287</u>	<u>24</u>	<u>20,013</u>	Advances from other funds
						Total liabilities
-	-	-	1,958	68	3,138	DEFERRED INFLOWS OF RESOURCES
-	-	-	1,958	68	3,138	Unavailable revenue
						Total deferred inflows of resources
10	-	3	-	-	439	FUND BALANCES
18,205	4,556	5,246	-	2,914	134,734	Nonspendable
-	-	-	-	-	2,150	Restricted
-	-	-	(88)	-	(88)	Assigned
<u>18,215</u>	<u>4,556</u>	<u>5,249</u>	<u>(88)</u>	<u>2,914</u>	<u>137,235</u>	Unassigned
						Total fund balances
<u>\$ 18,228</u>	<u>\$ 4,556</u>	<u>\$ 5,493</u>	<u>\$ 4,157</u>	<u>\$ 3,006</u>	<u>\$ 160,386</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, 2023
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
Revenues						
Taxes	\$ 51	\$ 6,795	\$ 5,865	\$ 1,741	\$ 2,146	\$ -
Licenses and permits	736	-	163	-	-	-
Intergovernmental	29,873	2,676	27	3	4	-
Charges for services	2,332	117	2,046	22,630	118	-
Fines, forfeitures and penalties	-	-	-	-	-	829
Rents and concessions	38	31	-	-	-	-
Investment income	730	416	366	949	475	47
Other	112	12	-	1	-	13
Total revenues	<u>33,872</u>	<u>10,047</u>	<u>8,467</u>	<u>25,324</u>	<u>2,743</u>	<u>889</u>
Expenditures						
Current:						
General government	-	-	250	-	552	-
Public protection	-	-	4,088	-	-	-
Public ways and facilities	27,521	-	-	-	-	-
Health and sanitation	-	-	2,244	21,884	-	418
Public assistance	-	-	-	-	-	-
Capital outlay	4,335	-	87	4,599	-	-
Debt service:						
Principal	-	-	-	157	-	-
Interest	-	-	-	58	-	-
Total expenditures	<u>31,856</u>	<u>-</u>	<u>6,669</u>	<u>26,698</u>	<u>552</u>	<u>418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,016</u>	<u>10,047</u>	<u>1,798</u>	<u>(1,374)</u>	<u>2,191</u>	<u>471</u>
Other financing sources (uses)						
Leases	-	-	-	-	-	-
Transfers in	1,078	471	-	82	-	-
Transfers out	(165)	(14,123)	-	(84)	-	-
Total other financing sources (uses)	<u>913</u>	<u>(13,652)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,929	(3,605)	1,798	(1,376)	2,191	471
Fund balances - beginning	<u>32,195</u>	<u>7,700</u>	<u>15,522</u>	<u>26,595</u>	<u>20,208</u>	<u>1,761</u>
Fund balances - end	<u>\$ 35,124</u>	<u>\$ 4,095</u>	<u>\$ 17,320</u>	<u>\$ 25,219</u>	<u>\$ 22,399</u>	<u>\$ 2,232</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, 2023
(In Thousands)

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 5,406	\$ -	\$ -	\$ -	\$ 465	\$ 22,469	Revenues
-	-	2,693	-	-	3,592	Taxes
-	-	21	26,959	1	59,564	Licenses and permits
-	499	434	822	7	29,005	Intergovernmental
-	-	-	-	1	830	Charges for services
-	-	-	-	-	69	Fines, forfeitures and penalties
300	140	228	100	42	3,793	Rents and concessions
-	-	29	421	449	1,037	Investment income
<u>5,706</u>	<u>639</u>	<u>3,405</u>	<u>28,302</u>	<u>965</u>	<u>120,359</u>	Other
						Total revenues
-	-	-	-	5	807	Expenditures
290	-	-	-	-	4,088	Current:
-	-	5,159	-	18	28,047	General government
-	-	-	32,273	-	29,723	Public protection
-	-	-	-	-	32,273	Public ways and facilities
-	-	-	-	-	9,021	Health and sanitation
-	-	-	-	-	157	Public assistance
-	-	-	-	-	58	Capital outlay
<u>290</u>	<u>-</u>	<u>5,159</u>	<u>32,273</u>	<u>259</u>	<u>104,174</u>	Debt service:
						Principal
						Interest
						Total expenditures
<u>5,416</u>	<u>639</u>	<u>(1,754)</u>	<u>(3,971)</u>	<u>706</u>	<u>16,185</u>	Excess (deficiency) of revenues over (under) expenditures
-	-	141	-	-	141	Other financing sources (uses)
-	-	70	3,702	-	5,403	Leases
<u>(1,367)</u>	<u>(972)</u>	<u>(171)</u>	<u>-</u>	<u>-</u>	<u>(16,882)</u>	Transfers in
<u>(1,367)</u>	<u>(972)</u>	<u>40</u>	<u>3,702</u>	<u>-</u>	<u>(11,338)</u>	Transfers out
						Total other financing sources (uses)
4,049	(333)	(1,714)	(269)	706	4,847	Net change in fund balances
<u>14,166</u>	<u>4,889</u>	<u>6,963</u>	<u>181</u>	<u>2,208</u>	<u>132,388</u>	Fund balances - beginning
<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 - end

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 31,091	\$ 31,091	\$ -	\$ 32,195	\$ 1,104
Resources (inflows):					
Taxes	31	281	250	51	(230)
Licenses and permits	350	350	-	736	386
Use of money and property	96	96	-	768	672
Intergovernmental revenues	29,066	29,066	-	29,873	807
Charges for services	22	22	-	2,332	2,310
Interfund revenue	1,322	1,322	-	-	(1,322)
Miscellaneous revenues	43	43	-	112	69
Other financing sources	6,337	6,337	-	1,078	(5,259)
Amounts available for appropriation	37,267	37,517	250	34,950	(2,567)
Charges to appropriations (outflows):					
Public ways and facilities					
Salaries and benefits	13,649	13,649	-	12,330	1,319
Services and supplies	29,546	29,796	250	9,885	19,911
Other charges	2,223	2,223	-	5,429	(3,206)
Capital assets	10,471	10,471	-	4,335	6,136
Other financing uses	28	28	-	165	(137)
Intrafund transfers	-	-	-	(123)	123
Contingencies	12,441	12,441	-	-	12,441
Total charges to appropriations	68,358	68,608	250	32,021	36,587
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 35,124	\$ 35,124

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 34,950
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(1,078)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 33,872

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 32,021
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(165)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 31,856

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Fire Protection Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 7,910	\$ 7,910	\$ -	\$ 7,700	\$ (210)
Resources (inflows):					
Taxes	10,107	10,107	-	6,795	(3,312)
Use of money and property	162	162	-	447	285
Intergovernmental revenues	2,698	2,698	-	2,676	(22)
Charges for services	306	306	-	117	(189)
Miscellaneous revenues	455	455	-	12	(443)
Other financing sources	253	253	-	471	218
Amounts available for appropriation	<u>13,981</u>	<u>13,981</u>	<u>-</u>	<u>10,518</u>	<u>(3,463)</u>
Charges to appropriations (outflows):					
Public protection					
Other financing uses	17,447	17,447	-	14,123	3,324
Non-general fund reserves	4,444	4,444	-	-	4,444
Total charges to appropriations	<u>21,891</u>	<u>21,891</u>	<u>-</u>	<u>14,123</u>	<u>7,768</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,095</u>	<u>\$ 4,095</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 10,518
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes	<u>(471)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 10,047</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 14,123
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(14,123)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ -</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Service Area Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 16,074</u>	<u>\$ 16,146</u>	<u>\$ 72</u>	<u>\$ 15,522</u>	<u>\$ (624)</u>
Resources (inflows):					
Taxes	5,345	5,345	-	5,865	520
Licenses and permits	151	151	-	163	12
Use of money and property	121	121	-	366	245
Intergovernmental revenues	16	16	-	27	11
Charges for services	2,035	2,035	-	2,046	11
Miscellaneous revenues	49	49	-	-	(49)
Amounts available for appropriation	<u>7,717</u>	<u>7,717</u>	<u>-</u>	<u>8,467</u>	<u>750</u>
Charges to appropriations (outflows):					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	695	695	-	48	647
Services and supplies	8,170	8,170	-	6,497	1,673
Other charges	105	177	72	37	140
Capital assets	950	1,175	225	87	1,088
Contingencies	1,243	1,243	-	-	1,243
Non-general fund reserves	12,628	12,403	(225)	-	12,403
Total charges to appropriations	<u>23,791</u>	<u>23,863</u>	<u>72</u>	<u>6,669</u>	<u>17,194</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,320</u>	<u>\$ 17,320</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Sewer and Sanitation Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 33,913</u>	<u>\$ 34,961</u>	<u>\$ 1,048</u>	<u>\$ 26,595</u>	<u>\$ (8,366)</u>
Resources (inflows):					
Taxes	883	883	-	1,741	858
Use of money and property	475	475	-	949	474
Intergovernmental revenues	3	3	-	3	-
Charges for services	18,853	18,853	-	22,630	3,777
Interfund revenue	4,446	4,446	-	-	(4,446)
Miscellaneous revenues	-	-	-	1	1
Other financing sources	115	115	-	82	(33)
Amounts available for appropriation	<u>24,775</u>	<u>24,775</u>	<u>-</u>	<u>25,406</u>	<u>631</u>
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	1,578	1,578	-	1,374	204
Services and supplies	21,637	21,637	-	16,702	4,935
Other charges	3,314	4,362	1,048	4,023	339
Capital assets	12,012	12,012	-	4,599	7,413
Other financing uses	124	124	-	84	40
Contingencies	19,808	19,808	-	-	19,808
Non-general fund reserves	215	215	-	-	215
Total charges to appropriations	<u>58,688</u>	<u>59,736</u>	<u>1,048</u>	<u>26,782</u>	<u>32,954</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,219</u>	<u>\$ 25,219</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 25,406
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(82)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 25,324</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 26,782
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(84)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 26,698</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Lighting Districts Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 20,948	\$ 21,005	\$ 57	\$ 20,208	\$ (797)
Resources (inflows):					
Taxes	1,034	1,034	-	2,146	1,112
Use of money and property	291	291	-	475	184
Intergovernmental revenues	4	4	-	4	-
Interfund revenue	232	232	-	-	(232)
Charges for services	-	-	-	118	118
Amounts available for appropriation	1,561	1,561	-	2,743	1,182
Charges to appropriations (outflows):					
General government					
Services and supplies	1,466	1,466	-	528	938
Other charges	24	81	57	24	57
Contingencies	21,019	21,019	-	-	21,019
Total charges to appropriations	22,509	22,566	57	552	22,014
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 22,399	\$ 22,399

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 1,922	\$ 1,922	\$ -	\$ 1,761	\$ (161)
Resources (inflows):					
Fines, forfeitures and penalties	1,555	1,555	-	829	(726)
Use of money and property	28	28	-	47	19
Miscellaneous revenues	<u>26</u>	<u>26</u>	<u>-</u>	<u>13</u>	<u>(13)</u>
Amounts available for appropriation	<u>1,609</u>	<u>1,609</u>	<u>-</u>	<u>889</u>	<u>(720)</u>
Charges to appropriations (outflows):					
Health and sanitation					
Services and supplies	1,921	1,921	-	418	1,503
Non-general fund reserves	<u>1,610</u>	<u>1,610</u>	<u>-</u>	<u>-</u>	<u>1,610</u>
Total charges to appropriations	<u>3,531</u>	<u>3,531</u>	<u>-</u>	<u>418</u>	<u>3,113</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ 2,232</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Half-Cent Transportation Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 14,625</u>	<u>\$ 14,625</u>	<u>\$ -</u>	<u>\$ 14,166</u>	<u>\$ (459)</u>
Resources (inflows):					
Taxes	3,097	3,097	-	5,406	2,309
Use of money and property	<u>50</u>	<u>50</u>	<u>-</u>	<u>300</u>	<u>250</u>
Amounts available for appropriation	<u>3,147</u>	<u>3,147</u>	<u>-</u>	<u>5,706</u>	<u>2,559</u>
Charges to appropriations (outflows):					
Public ways and facilities					
Services and supplies	11,177	11,177	-	213	10,964
Other charges	178	178	-	77	101
Other financing uses	5,815	5,815	-	1,367	4,448
Contingencies	<u>602</u>	<u>602</u>	<u>-</u>	<u>-</u>	<u>602</u>
Total charges to appropriations	<u>17,772</u>	<u>17,772</u>	<u>-</u>	<u>1,657</u>	<u>16,115</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,215</u>	<u>\$ 18,215</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,657
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(1,367)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 290</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County-Wide Road Improvement Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 5,046	\$ 5,046	\$ -	\$ 4,889	\$ (157)
Resources (inflows):					
Use of money and property	25	25	-	140	115
Charges for services	475	475	-	499	24
Amounts available for appropriation	500	500	-	639	139
Charges to appropriations (outflows):					
Public ways and facilities					
Other financing uses	1,772	1,772	-	972	800
Non-general fund reserves	3,774	3,774	-	-	3,774
Total charges to appropriations	5,546	5,546	-	972	4,574
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 4,556	\$ 4,556

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 972
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(972)
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, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 5,767</u>	<u>\$ 5,767</u>	<u>\$ -</u>	<u>\$ 6,963</u>	<u>\$ 1,196</u>
Resources (inflows):					
Licenses and permits	2,903	2,903	-	2,693	(210)
Use of money and property	108	108	-	228	120
Intergovernmental revenues	17	17	-	21	4
Charges for services	683	683	-	434	(249)
Miscellaneous revenues	5	5	-	29	24
Other financing sources	305	305	-	211	(94)
Amounts available for appropriation	<u>4,021</u>	<u>4,021</u>	<u>-</u>	<u>3,616</u>	<u>(405)</u>
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	2,269	2,269	-	2,201	68
Services and supplies	3,149	3,149	-	2,569	580
Other charges	501	501	-	389	112
Other financing uses	581	581	-	171	410
Non-general fund reserves	3,288	3,288	-	-	3,288
Total charges to appropriations	<u>9,788</u>	<u>9,788</u>	<u>-</u>	<u>5,330</u>	<u>4,458</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,249</u>	<u>\$ 5,249</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,616
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(70)
Leases are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(141)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,405</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,330
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(171)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 5,159</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
In-Home Supportive Services Public Authority Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 2,056</u>	<u>\$ 2,056</u>	<u>\$ -</u>	<u>\$ 181</u>	<u>\$ (1,875)</u>
Resources (inflows):					
Use of money and property	42	42	-	100	58
Intergovernmental revenues	28,786	28,786	-	26,959	(1,827)
Charges for services	-	-	-	822	822
Interfund revenue	4,183	4,183	-	-	(4,183)
Miscellaneous revenues	387	387	-	421	34
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	<u>33,398</u>	<u>33,398</u>	<u>-</u>	<u>32,004</u>	<u>(1,394)</u>
Charges to appropriations (outflows):					
Public assistance					
Salaries and benefits	2,000	2,095	95	2,015	80
Services and supplies	7,611	7,611	-	7,436	175
Other charges	23,786	23,691	(95)	22,822	869
Non-general fund reserves	<u>2,057</u>	<u>2,057</u>	<u>-</u>	<u>-</u>	<u>2,057</u>
Total charges to appropriations	<u>35,454</u>	<u>35,454</u>	<u>-</u>	<u>32,273</u>	<u>3,181</u>
Budgetary fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (88)</u></u>	<u><u>\$ (88)</u></u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 32,004
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(3,702)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u><u>\$ 28,302</u></u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Highlands Landscape & Drainage Maintenance District					
Budgetary fund balance, July 1	\$ 1,207	\$ 1,207	\$ -	\$ 372	\$ (835)
Resources (inflows):					
Taxes	49	49	-	-	(49)
Use of money and property	18	18	-	42	24
Charges for services	7	7	-	7	-
Intergovernmental	-	-	-	1	1
Amounts available for appropriation	<u>74</u>	<u>74</u>	<u>-</u>	<u>499</u>	<u>425</u>
Charges to appropriations (outflows):					
General Government					
Services and supplies	89	89	-	23	66
Contingencies	975	975	-	-	975
Non-general fund reserves	217	217	-	-	217
Total charges to appropriations	<u>1,281</u>	<u>1,281</u>	<u>-</u>	<u>23</u>	<u>1,258</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848</u>	<u>\$ 848</u>
Los Trancos County Maintenance Fund					
Budgetary fund balance, July 1	\$ 978	\$ 978	\$ -	\$ 857	\$ (121)
Resources (inflows):					
Taxes	205	205	-	465	260
Use of money and property	5	5	-	-	(5)
Intergovernmental	1	1	-	-	(1)
Amounts available for appropriation	<u>211</u>	<u>211</u>	<u>-</u>	<u>465</u>	<u>254</u>
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	425	425	-	236	189
Other Charges	9	9	-	-	9
Non-general fund reserves	755	755	-	-	755
Total charges to appropriations	<u>1,189</u>	<u>1,189</u>	<u>-</u>	<u>236</u>	<u>953</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,086</u>	<u>\$ 1,086</u>
Fish and Game Fund					
Budgetary fund balance, July 1	\$ 65	\$ 65	\$ -	\$ 61	\$ (4)
Resources (inflows):					
Fines, forfeitures & penalties	2	2	-	-	(2)
Use of money and property	1	1	-	1	-
Amounts available for appropriation	<u>3</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>(2)</u>
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	10	10	-	-	10
Non-general fund reserves	58	58	-	-	58
Total charges to appropriations	<u>68</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>68</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ 62</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<u>Total - Other Special Revenue Funds</u>					
Budgetary fund balance, July 1	\$ 2,250	\$ 2,250	\$ -	\$ 1,290	\$ (960)
Resources (inflows)	288	288	-	965	677
Charges to appropriations (outflows)	<u>2,538</u>	<u>2,538</u>	<u>-</u>	<u>259</u>	<u>2,279</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,996</u>	<u>\$ 1,996</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, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 24,701	\$ 24,701	\$ -	\$ 30,666	\$ 5,965
Resources (inflows):					
Use of money and property	-	-	-	566	566
Other financing sources	40,924	40,924	-	40,628	(296)
Amount available for appropriation	<u>40,924</u>	<u>40,924</u>	<u>-</u>	<u>41,194</u>	<u>270</u>
Charges to appropriations (outflows):					
Other charges	40,559	40,559	-	-	40,559
Other financing uses	6,624	6,624	-	40,944	(34,320)
Non-general fund reserves	18,442	18,442	-	-	18,442
Total charges to appropriations	<u>65,625</u>	<u>65,625</u>	<u>-</u>	<u>40,944</u>	<u>24,681</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,916</u>	<u>\$ 30,916</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 41,194
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(40,628)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 566</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 40,944
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(40,944)</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, 2023
(In Thousands)

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
ASSETS					
Cash and investments	\$ 90,040	\$ 3,395	\$ 2	\$ 122,876	\$ 216,313
Accounts receivable	-	10	10	2	22
Interest receivable	716	26	-	493	1,235
Other receivable	-	-	-	3	3
Due from other governmental agencies	-	-	-	500	500
Prepaid items	-	-	-	442	442
Total assets	<u>\$ 90,756</u>	<u>\$ 3,431</u>	<u>\$ 12</u>	<u>\$ 124,316</u>	<u>\$ 218,515</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 16,976	\$ 16,976
Due to other funds	-	-	-	53	53
Unearned revenues	-	10	10	-	20
Total liabilities	<u>-</u>	<u>10</u>	<u>10</u>	<u>17,029</u>	<u>17,049</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	500	500
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
FUND BALANCES					
Nonspendable	-	-	-	442	442
Assigned	90,756	3,421	2	106,345	200,524
Total fund balances	<u>90,756</u>	<u>3,421</u>	<u>2</u>	<u>106,787</u>	<u>200,966</u>
Total liabilities, and fund balances	<u>\$ 90,756</u>	<u>\$ 3,431</u>	<u>\$ 12</u>	<u>\$ 124,316</u>	<u>\$ 218,515</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, 2023
(In Thousands)

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 6,080	\$ 6,080
Intergovernmental	-	-	-	39,188	39,188
Charges for services	-	631	1,120	31,462	33,213
Investment income/(loss)	2,185	57	(5)	174	2,411
Other	-	-	-	7,570	7,570
Total revenues	<u>2,185</u>	<u>688</u>	<u>1,115</u>	<u>84,474</u>	<u>88,462</u>
Expenditures:					
Capital outlay	-	-	-	115,717	115,717
Excess (deficiency) of revenues over (under) expenditures	<u>2,185</u>	<u>688</u>	<u>1,115</u>	<u>(31,243)</u>	<u>(27,255)</u>
Other financing sources (uses)					
Transfers in	-	-	-	111,209	111,209
Transfers out	-	-	(1,163)	(14,282)	(15,445)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,163)</u>	<u>96,927</u>	<u>95,764</u>
Net change in fund balances	2,185	688	(48)	65,684	68,509
Fund balances - beginning	<u>88,571</u>	<u>2,733</u>	<u>50</u>	<u>41,103</u>	<u>132,457</u>
Fund balances - end	<u>\$ 90,756</u>	<u>\$ 3,421</u>	<u>\$ 2</u>	<u>\$ 106,787</u>	<u>\$ 200,966</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County One-Time Expense Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 91,435	\$ 91,435	\$ -	\$ 88,571	\$ (2,864)
Resources (inflows):					
Use of money and property	500	500	-	2,185	1,685
Charges to appropriations (outflows):					
Other financing uses	43,511	43,511	-	-	43,511
Non-general fund reserves	48,424	48,424	-	-	48,424
Total charges to appropriations	91,935	91,935	-	-	91,935
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 90,756	\$ 90,756

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Criminal Facility Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 2,822	\$ 2,822	\$ -	\$ 2,733	\$ (89)
Resources (inflows):					
Use of money and property	18	18	-	57	39
Charges for services	900	900	-	631	(269)
Amounts available for appropriation	918	918	-	688	(230)
Charges to appropriations (outflows):					
Services and supplies	-	-	-	-	-
Other financing uses	1,100	1,100	-	-	1,100
Non-general fund reserves	2,640	2,640	-	-	2,640
Total charges to appropriations	3,740	3,740	-	-	3,740
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 3,421	\$ 3,421

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Courthouse Construction Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 52	\$ 52	\$ -	\$ 50	\$ (2)
Resources (inflows):					
Charges for services	900	850	(50)	1,120	270
Interfund revenue	464	514	50	-	(514)
Use of money and property	-	-	-	(5)	(5)
Amounts available for appropriation	<u>1,364</u>	<u>1,364</u>	<u>-</u>	<u>1,115</u>	<u>(249)</u>
Charges to appropriations (outflows):					
Other financing uses	1,364	1,364	-	1,163	201
Contingencies	52	52	-	-	52
Total charges to appropriations	<u>1,416</u>	<u>1,416</u>	<u>-</u>	<u>1,163</u>	<u>253</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,163
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,163)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ -</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Capital Projects Fund
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 28,009	\$ 28,008	\$ (1)	\$ 41,103	\$ 13,095
Resources (inflows):					
Taxes	27,792	38,292	10,500	6,080	(32,212)
Use of money and property	20	20	-	174	154
Intergovernmental revenues	41,939	42,439	500	39,188	(3,251)
Charges for services	-	-	-	31,462	31,462
Interfund revenues	1,890	1,890	-	-	(1,890)
Miscellaneous revenues	3,277	3,277	-	7,570	4,293
Other financing sources	276,282	301,831	25,549	111,209	(190,622)
Amounts available for appropriation	<u>351,200</u>	<u>387,749</u>	<u>36,549</u>	<u>195,683</u>	<u>(192,066)</u>
Charges to appropriations (outflows):					
Salaries and benefits	-	3,374	3,374	-	3,374
Services and supplies	19,096	51,497	32,401	-	51,497
Other charges	365	382	17	-	382
Capital assets	342,007	342,484	477	115,717	226,767
Contingencies	10,379	10,379	-	-	10,379
Other financing uses	5,960	6,656	696	14,282	(7,626)
Non-general fund reserves	1,402	985	(417)	-	985
Total charges to appropriations	<u>379,209</u>	<u>415,757</u>	<u>36,548</u>	<u>129,999</u>	<u>285,758</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,787</u>	<u>\$ 106,787</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 195,683
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(111,209)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 84,474</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 129,999
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(14,282)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 115,717</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, 2023
(In Thousands)

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 6,599	\$ 786	\$ 7,385
Receivables (net):			
Accounts	55	22	77
Interest	52	6	58
Lease receivable	41	-	41
Prepaid items	4	2	6
Total current assets	<u>6,751</u>	<u>816</u>	<u>7,567</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	7,629	1,334	8,963
Depreciable, net	21,573	6,641	28,214
Total noncurrent assets	<u>29,202</u>	<u>7,975</u>	<u>37,177</u>
Total assets	<u>35,953</u>	<u>8,791</u>	<u>44,744</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related items	653	272	925
OPEB-related items	159	48	207
Total deferred outflows of resources	<u>812</u>	<u>320</u>	<u>1,132</u>
LIABILITIES			
Current liabilities:			
Accounts payable	126	20	146
Accrued interest payable	-	84	84
Accrued salaries and benefits	30	10	40
Due to other funds	10	7	17
Unearned revenues	24	-	24
Deposits	1	-	1
Notes payable - current	-	82	82
Compensated absences - current	78	39	117
Total current liabilities	<u>269</u>	<u>242</u>	<u>511</u>
Noncurrent liabilities:			
Net pension liability - noncurrent	861	361	1,222
Net OPEB liability - noncurrent	109	38	147
Notes payable - noncurrent	-	1,867	1,867
Compensated absences - noncurrent	33	19	52
Total noncurrent liabilities	<u>1,003</u>	<u>2,285</u>	<u>3,288</u>
Total liabilities	<u>1,272</u>	<u>2,527</u>	<u>3,799</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related	91	28	119
Lease related	39	-	39
Total deferred inflows of resources	<u>130</u>	<u>28</u>	<u>158</u>
NET POSITION			
Net investment in capital assets	29,202	6,026	35,228
Unrestricted	6,161	530	6,691
Total net position	<u>\$ 35,363</u>	<u>\$ 6,556</u>	<u>\$ 41,919</u>

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, 2023
(In Thousands)

	Airports	Coyote Point Marina	Total
Operating revenues:			
Charges for services	\$ 122	\$ 1,492	\$ 1,614
Rent and concessions	4,275	-	4,275
Miscellaneous	314	5	319
Total operating revenues	4,711	1,497	6,208
Operating expenses:			
Salaries and benefits	1,251	451	1,702
Pension expense	271	102	373
OPEB expense	9	2	11
General and administrative	2,955	444	3,399
Depreciation	663	314	977
Total operating expenses	5,149	1,313	6,462
Operating income (loss)	(438)	184	(254)
Nonoperating revenues (expenses):			
State and federal grants	145	-	145
Investment income	152	80	232
Interest expense	-	(91)	(91)
Total nonoperating revenues (expenses)	297	(11)	286
Income before transfers	(141)	173	32
Transfers out	-	(1,901)	(1,901)
Change in net position	(141)	(1,728)	(1,869)
Net position - beginning	35,504	8,284	43,788
Net position - end	\$ 35,363	\$ 6,556	\$ 41,919

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Airports	Coyote Point Marina	Total
Cash flows from operating activities			
Cash receipts from customers	\$ 4,726	\$ 1,527	\$ 6,253
Cash paid to suppliers of goods and services	(2,835)	(525)	(3,360)
Cash paid to employees for services	(1,681)	(579)	(2,260)
Net cash provided by operating activities	210	423	633
Cash flows from noncapital financing activities			
Transfers paid to other funds	-	(1,901)	(1,901)
State and federal grants receipts	145	-	145
Net cash provided by (used in) noncapital financing activities	145	(1,901)	(1,756)
Cash flows from capital and related financing activities			
Acquisition of capital assets	(51)	-	(51)
Principal paid on long-term debt	-	(79)	(79)
Interest paid on long-term debt	-	(94)	(94)
Cash received on lease receivables	29	-	29
Cash received for interest on lease receivables	1	-	1
Net cash (used in) capital and related financing activities	(21)	(173)	(194)
Cash flows from investing activities			
Investment income received	117	80	197
Net cash provided by investing activities	117	80	197
Net change in cash and cash equivalents	451	(1,571)	(1,120)
Cash and cash equivalents, beginning	6,148	2,357	8,505
Cash and cash equivalents, end	\$ 6,599	\$ 786	\$ 7,385
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (438)	\$ 184	\$ (254)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	663	314	977
Decrease (increase) in:			
Accounts receivable	2	-	2
Lease receivable	(1)	-	(1)
Due from other funds	9	-	9
Due from other governmental agencies	-	28	28
Other assets	94	-	94
Increase (decrease) in:			
Accounts payable	26	(81)	(55)
Accrued salaries and benefits	(67)	(25)	(92)
Due to other funds	(3)	5	2
Unearned revenues	8	-	8
Refundable deposits	-	(3)	(3)
Net pension liability	645	191	836
Net OPEB liability	105	32	137
Compensated absences	(37)	4	(33)
Deferred inflows of resources	(796)	(226)	(1,022)
Net cash provided by operating activities	\$ 210	\$ 423	\$ 633

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, 2023
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
ASSETS							
Current assets:							
Cash and investments	\$ 20,569	\$ 5	\$ 22,426	\$ 801	\$ 3,919	\$ 24,663	\$ 72,383
Receivables (net):							
Accounts	7	72	155	-	-	1,020	1,254
Interest	155	-	185	8	69	189	606
Due from other funds	235	18	-	-	-	-	253
Due from other governmental agencies	4	-	-	-	-	2,813	2,817
Inventories	92	-	-	-	-	-	92
Prepaid items	7	5	1,241	-	7,488	-	8,741
Total current assets	<u>21,069</u>	<u>100</u>	<u>24,007</u>	<u>809</u>	<u>11,476</u>	<u>28,685</u>	<u>86,146</u>
Noncurrent assets:							
Capital assets:							
Depreciable, net	8,627	-	-	-	-	-	8,627
Total noncurrent assets	<u>8,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,627</u>
Total assets	<u>29,696</u>	<u>100</u>	<u>24,007</u>	<u>809</u>	<u>11,476</u>	<u>28,685</u>	<u>94,773</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related items	737	691	-	-	-	-	1,428
OPEB-related items	208	159	-	-	-	-	367
Total deferred outflows of resources	<u>945</u>	<u>850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,795</u>
LIABILITIES							
Current liabilities:							
Accounts payable	201	22	110	-	116	237	686
Accrued interest payable	-	2	-	-	-	-	2
Accrued salaries and benefits	29	24	-	2	-	-	55
Due to other funds	7	8	1	4	7	28	55
Compensated absences - current	64	56	-	-	-	-	120
Estimated claims - current	-	-	16,652	58	4,182	1,433	22,325
Total current liabilities	<u>301</u>	<u>112</u>	<u>16,763</u>	<u>64</u>	<u>4,305</u>	<u>1,698</u>	<u>23,243</u>
Noncurrent liabilities:							
Advances from other funds	-	785	-	-	-	-	785
Net pension liability - noncurrent	1,059	1,032	-	-	-	-	2,091
Net OPEB liability - noncurrent	165	127	-	-	-	-	292
Compensated absences - noncurrent	38	40	-	-	-	-	78
Estimated claims - noncurrent	-	-	32,512	344	5,052	-	37,908
Total noncurrent liabilities	<u>1,262</u>	<u>1,984</u>	<u>32,512</u>	<u>344</u>	<u>5,052</u>	<u>-</u>	<u>41,154</u>
Total liabilities	<u>1,563</u>	<u>2,096</u>	<u>49,275</u>	<u>408</u>	<u>9,357</u>	<u>1,698</u>	<u>64,397</u>
DEFERRED INFLOWS OF RESOURCES							
Pension-related items	1	-	-	-	-	-	1
OPEB-related items	121	93	-	-	-	-	214
Total deferred inflows of resources	<u>122</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215</u>
NET POSITION							
Net investment in capital assets	8,627	-	-	-	-	-	8,627
Unrestricted	20,329	(1,239)	(25,268)	401	2,119	26,987	23,329
Total net position	<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>

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, 2023
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
Operating revenues:							
Charges for services	\$ 7,755	\$ 1,982	\$ 18,804	\$ 966	\$ 19,212	\$ 123,967	\$ 172,686
Miscellaneous	459	2	417	-	316	8	1,202
Total operating revenues	<u>8,214</u>	<u>1,984</u>	<u>19,221</u>	<u>966</u>	<u>19,528</u>	<u>123,975</u>	<u>173,888</u>
Operating expenses:							
Salaries and benefits	1,251	1,155	-	-	-	-	2,406
Pension expense	284	248	-	-	-	-	532
OPEB expense	11	9	-	-	-	-	20
General and administrative	2,958	562	2,859	975	2,647	7,299	17,300
Benefits and claims	-	-	13,849	-	2,070	8,622	24,541
Insurance premiums	-	-	2,089	-	11,913	108,135	122,137
Depreciation	2,871	-	-	-	-	-	2,871
Total operating expenses	<u>7,375</u>	<u>1,974</u>	<u>18,797</u>	<u>975</u>	<u>16,630</u>	<u>124,056</u>	<u>169,807</u>
Operating income (loss)	<u>839</u>	<u>10</u>	<u>424</u>	<u>(9)</u>	<u>2,898</u>	<u>(81)</u>	<u>4,081</u>
Nonoperating expenses							
Investment income (loss)	380	(7)	469	26	86	595	1,549
Total nonoperating expenses	<u>380</u>	<u>(7)</u>	<u>469</u>	<u>26</u>	<u>86</u>	<u>595</u>	<u>1,549</u>
Income (loss) before transfers	1,219	3	893	17	2,984	514	5,630
Transfers in	97	18	-	-	-	-	115
Transfers out	(12)	(11)	-	-	(21)	-	(44)
Change in net position	1,304	10	893	17	2,963	514	5,701
Net position - beginning	<u>27,652</u>	<u>(1,249)</u>	<u>(26,161)</u>	<u>384</u>	<u>(844)</u>	<u>26,473</u>	<u>26,255</u>
Net position - end	<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>

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Fleet Maintenance	Tower Construction	Workers' Compensation Insurance	Long-Term Disability
Cash flows from operating activities				
Cash received from interfund services provided	\$ 8,317	\$ 2,100	\$ 18,945	\$ 974
Cash payment to suppliers of goods and services	(2,865)	(613)	(4,937)	(971)
Cash payment to employees for services	(1,621)	(1,484)	-	(4)
Cash payment for judgments and claims	-	-	(11,609)	(58)
Net cash provided by (used in) operating activities	<u>3,831</u>	<u>3</u>	<u>2,399</u>	<u>(59)</u>
Cash flows from noncapital financing activities				
Transfers received from other funds	97	18	-	-
Transfers paid to other funds	(12)	(11)	-	-
Net cash provided by (used in) noncapital financing activities	<u>85</u>	<u>7</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,514)	-	-	-
Net cash used in capital and related financing activities	<u>(1,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Investment expense paid	-	-	-	(5)
Investment gain (loss)	271	(5)	341	26
Net cash provided by (used in) investing activities	<u>271</u>	<u>(5)</u>	<u>341</u>	<u>21</u>
Net increase (decrease) in cash and cash equivalents	2,673	5	2,740	(38)
Cash and cash equivalents, beginning	17,896	-	19,686	839
Cash and cash equivalents, end	<u>\$ 20,569</u>	<u>\$ 5</u>	<u>\$ 22,426</u>	<u>\$ 801</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 839	\$ 10	\$ 424	\$ (9)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,871	-	-	-
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(2)	93	(155)	-
Due from other funds	(173)	23	2	8
Due from other government agencies	(3)	-	-	-
Inventories	21	-	-	-
Other assets	281	-	(123)	-
Deferred outflows of resources	(157)	(139)	-	-
Increase (decrease) in:				
Accounts payable	66	(57)	10	-
Accrued salaries and benefits	(52)	(60)	-	(4)
Due to other funds	6	6	1	4
Net pension liability	670	556	-	-
Net OPEB liability	194	149	-	-
Compensated absences	(1)	5	-	-
Estimated claims	-	-	2,240	(58)
Deferred inflows of resources	(729)	(583)	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,831</u>	<u>\$ 3</u>	<u>\$ 2,399</u>	<u>\$ (59)</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	Personal Injury and Property Damage	Employee Benefits	Total	
	\$ 18,724	\$ 123,506	\$ 172,566	Cash flows from operating activities
	(14,577)	(116,011)	(139,974)	Cash received from interfund services provided
	-	-	(3,109)	Cash payment to suppliers of goods and services
	(2,354)	(8,435)	(22,456)	Cash payment to employees for services
	1,793	(940)	7,027	Cash payment for judgments and claims
				Net cash provided by (used in) operating activities
				Cash flows from noncapital financing activities
	-	-	115	Transfers received from other funds
	(21)	-	(44)	Transfers paid to other funds
	(21)	-	71	Net cash provided by (used in) noncapital financing activities
				Cash flows from capital and related financing activities
	-	-	(1,514)	Acquisition of capital assets
	-	-	(1,514)	Net cash used in capital and related financing activities
				Cash flows from investing activities
	-	-	(5)	Investment expense paid
	30	468	1,131	Investment gain (loss)
	30	468	1,126	Net cash provided by (used in) investing activities
	1,802	(472)	6,710	Net increase (decrease) in cash and cash equivalents
	2,117	25,135	65,673	Cash and cash equivalents, beginning
	<u>\$ 3,919</u>	<u>\$ 24,663</u>	<u>\$ 72,383</u>	Cash and cash equivalents, end
				Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
	\$ 2,898	\$ (81)	\$ 4,081	Operating income (loss)
	-	-	2,871	Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
				Depreciation and amortization
				Changes in operating assets and liabilities:
				Decrease (increase) in:
	-	(418)	(482)	Accounts receivable
	13	-	(127)	Due from other funds
	-	(51)	(54)	Due from other government agencies
	-	-	21	Inventories
	(817)	-	(659)	Other assets
	-	-	(296)	Deferred outflows of resources
				Increase (decrease) in:
	(19)	(213)	(213)	Accounts payable
	-	-	(116)	Accrued salaries and benefits
	2	(364)	(345)	Due to other funds
	-	-	1,226	Net pension liability
	-	-	343	Net OPEB liability
	-	-	4	Compensated absences
	(284)	187	2,085	Estimated claims
	-	-	(1,312)	Deferred inflows of resources
	<u>\$ 1,793</u>	<u>\$ (940)</u>	<u>\$ 7,027</u>	Net cash provided by (used in) operating activities



Fiduciary Funds

COUNTY OF SAN MATEO

Fiduciary Funds

Trust Funds

Investment Trust (External Investment Pool). The external investment pool is made up of three separate funds: Special Districts under Local Board, School Districts, and Other Investment Trust. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collections for cities. Under sections 27133(h) and 27136 of the California Government Code, funds deposited in the County pool may be reclaimed at the rate of 20% of the principal balance per month, 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, 2023
(In Thousands)

	External Investment Pool			Total
	Special Districts under Local Board	School Districts	Other Investment Trust	
ASSETS				
Cash and investments	\$ 513,527	\$ 2,796,855	\$ 859,598	\$ 4,169,980
Interest receivable	4,093	21,304	9,306	34,703
Due from other governmental agencies	11,606	1	-	11,607
Other assets	50	2	-	52
Total assets	<u>529,276</u>	<u>2,818,162</u>	<u>868,904</u>	<u>4,216,342</u>
LIABILITIES				
Accounts payable	479	-	1,924	2,403
Due to other governmental agencies	-	-	2	2
Other liabilities	11,606	-	81	11,687
Total liabilities	<u>12,085</u>	<u>-</u>	<u>2,007</u>	<u>14,092</u>
NET POSITION				
Net position restricted for investment pool participants	<u>\$ 517,191</u>	<u>\$ 2,818,162</u>	<u>\$ 866,897</u>	<u>\$ 4,202,250</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	External Investment Pool			
	Special Districts under Local Board	School Districts	Other Investment Trust	Total
ADDITIONS				
Contributions to investment pool	\$ 539,337	\$ 4,550,908	\$ 757,573	\$ 5,847,818
Net investment income:				
Net appreciation/depreciation in fair value of investments	15	(9,710)	3,411	(6,284)
Interest and investment income	10,869	50,591	146,940	208,400
Total net investment income/(loss)	10,884	40,881	150,351	202,116
Total additions	550,221	4,591,789	907,924	6,049,934
DEDUCTIONS				
Distribution from investment pool	499,171	4,029,294	927,018	5,455,483
Change in net position	51,050	562,495	(19,094)	594,451
Net position - beginning	466,141	2,255,667	885,991	3,607,799
Net position - end	\$ 517,191	\$ 2,818,162	\$ 866,897	\$ 4,202,250

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2023
(In Thousands)

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 289	\$ 208,766	\$ 209,055
Receivables (net):			
Interest	<u>577</u>	<u>1,156</u>	<u>1,733</u>
Total assets	<u>866</u>	<u>209,922</u>	<u>210,788</u>
LIABILITIES			
Accounts payable	-	52	52
Due to other governmental agencies	15	149,171	149,186
Other liabilities	<u>-</u>	<u>12</u>	<u>12</u>
Total liabilities	<u>15</u>	<u>149,235</u>	<u>149,250</u>
NET POSITION			
Net position restricted for individuals, organizations, and other governments	<u>\$ 851</u>	<u>\$ 60,687</u>	<u>\$ 61,538</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2023
(In Thousands)

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
ADDITIONS			
Property taxes collected for other governments	\$ 314,853	\$ 4,189,328	\$ 4,504,181
Interest and investment income/(loss)	<u>755</u>	<u>2,863</u>	<u>3,618</u>
Total additions	<u>315,608</u>	<u>4,192,191</u>	<u>4,507,799</u>
DEDUCTIONS			
Property taxes distributed to other governments	<u>315,166</u>	<u>4,227,748</u>	<u>4,542,914</u>
Change in net position	442	(35,557)	(35,115)
Net position - beginning	<u>409</u>	<u>96,244</u>	<u>96,653</u>
Net position - end	<u><u>\$ 851</u></u>	<u><u>\$ 60,687</u></u>	<u><u>\$ 61,538</u></u>

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023
(In Thousands)

	County Library	Trial Courts Operation	Public Administrator	Public Guardian	Other Custodial	Total
ASSETS						
Cash and investments	\$ 55,017	\$ 625	\$ 41,423	\$ 10,725	\$ 240,947	\$ 348,737
Receivables (net):						
Accounts	-	-	-	-	532	532
Interest	425	11	355	89	2,016	2,896
Taxes, net	1,749	-	-	-	189,332	191,081
Other	4,137	-	-	-	129	4,266
Due from other governmental agencies	3,790	-	-	-	30,028	33,818
Other assets	2,872	1,109	13,250	14,986	-	32,217
Total assets	<u>67,990</u>	<u>1,745</u>	<u>55,028</u>	<u>25,800</u>	<u>462,984</u>	<u>613,547</u>
LIABILITIES						
Accounts payable	1,218	-	896	-	2,690	4,804
Due to other governmental agencies	17	-	209	67	4,512	4,805
Other liabilities	10,788	847	95	1,033	229,330	242,093
Total liabilities	<u>12,023</u>	<u>847</u>	<u>1,200</u>	<u>1,100</u>	<u>236,532</u>	<u>251,702</u>
NET POSITION						
Net position restricted for individuals, organizations, and other governments	<u>\$ 55,967</u>	<u>\$ 898</u>	<u>\$ 53,828</u>	<u>\$ 24,700</u>	<u>\$ 226,452</u>	<u>\$ 361,845</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2023
(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>
ADDITIONS						
Contributions to investment pool	\$ 6,892	\$ 44,167	\$ -	\$ -	\$ 127,703	\$ 178,762
Contributions held on bequests	-	-	7,931	11,714	-	19,645
Property taxes collected for other governments	41,834	-	-	-	1,180,639	1,222,473
Interest and investment income	1,050	58	1,005	333	6,813	9,259
	<u>49,776</u>	<u>44,225</u>	<u>8,936</u>	<u>12,047</u>	<u>1,315,155</u>	<u>1,430,139</u>
Total additions						
DEDUCTIONS						
Distribution from investment pool	21,916	43,496	-	-	139,026	204,438
Property taxes distributed to other governments	1,120	-	-	-	1,222,958	1,224,078
Beneficiary payments to individuals	-	-	13,720	15,189	-	28,909
Payments to other local governments	16,957	-	-	-	2,203	19,160
Administrative expenses	1,751	15	-	-	438	2,204
Interest expense	-	-	-	-	43,067	43,067
	<u>41,744</u>	<u>43,511</u>	<u>13,720</u>	<u>15,189</u>	<u>1,407,692</u>	<u>1,521,856</u>
Total deductions						
Change in net position	8,032	714	(4,784)	(3,142)	(92,537)	(91,717)
Net position - beginning	47,935	184	58,612	27,842	318,989	453,562
Net position - end	<u>\$ 55,967</u>	<u>\$ 898</u>	<u>\$ 53,828</u>	<u>\$ 24,700</u>	<u>\$ 226,452</u>	<u>\$ 361,845</u>



STATISTICAL SECTION
(Unaudited)

COUNTY OF SAN MATEO

Statistical Section

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how the County's financial performance and has changed over time.

Revenue Capacity

This segment includes information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic and Demographic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

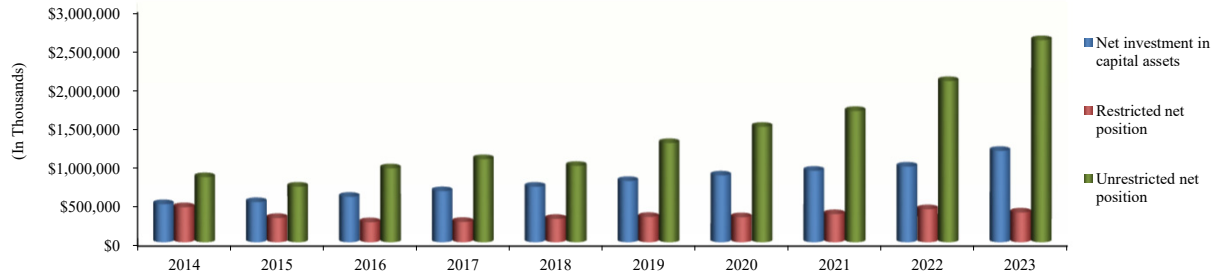
This segment displays service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant years.

COUNTY OF SAN MATEO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets ¹	\$ 418,671	\$ 441,955	\$ 508,490	\$ 579,485	\$ 634,859	\$ 706,423	\$ 779,091	\$ 836,052	\$ 889,020	\$ 1,089,895
Restricted for:										
Government programs ³	247,541	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663
Capital projects	5,977	3,179	2,714	2,518	2,402	1,427	1,799	-	-	-
Debt service	195,628	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540
Unrestricted	756,305	701,449	917,413	1,032,917	975,044	1,258,498	1,443,606	1,622,679	1,974,683	2,507,542
Subtotal governmental activities net position	1,624,122	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
Business-type Activities										
Net investment in capital assets ¹	70,560	73,924	75,231	76,676	78,508	80,568	79,271	82,464	82,842	84,379
Restricted for:										
Housing assistance programs	-	84	-	-	1,383	1,782	1,518	1,318	1,837	1,455
Airport management by FAA	843	709	362	362	-	-	-	-	-	-
Fuel Dock 10 project	137	137	-	-	-	-	-	-	-	-
Unrestricted	79,936	12,685	32,816	34,911	6,229	16,874	40,477	64,858	97,692	90,622
Subtotal business-type activities net position	151,476	87,539	108,409	111,949	86,120	99,224	121,266	148,640	182,371	176,456
Primary Government										
Net investment in capital assets	489,231	515,879	583,721	656,161	713,367	786,991	858,362	918,516	971,862	1,174,274
Restricted for:										
Governmental programs	247,541	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663
Capital projects	5,977	3,179	2,714	2,518	2,402	1,427	1,799	-	-	-
Debt service	195,628	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540
Housing assistance programs	-	84	-	-	1,383	1,782	1,518	1,318	1,837	1,455
Airport management by FAA	843	709	362	362	-	-	-	-	-	-
Fuel Dock 10 project	137	137	-	-	-	-	-	-	-	-
Total restricted	450,126	311,278	256,586	260,898	299,875	324,805	321,157	360,865	423,943	381,658
Unrestricted	836,241	714,134	950,229	1,067,828	981,273	1,275,372	1,484,083	1,687,537	2,072,375	2,598,164
Total primary government net position ²	\$ 1,775,598	\$ 1,541,291 ⁴	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168	\$ 2,663,602	\$ 2,966,918	\$ 3,468,180	\$ 4,154,096
Percent of increase (decrease) in primary government net position	17.46%	-13.20%	16.17%	10.85%	0.49%	19.69%	11.58%	11.39%	16.90%	19.78%

Net Position



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

Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, equipment, and software.

² Accounting standards require that net position be reported in three components in the government-wide financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

³ Net position is restricted for specific purposes as indicated on the Statement of Net Position.

⁴ Decrease in total primary government net position is due to reporting net pension liability under GASB Statement Nos. 68 and 71.

COUNTY OF SAN MATEO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
<u>Governmental activities:</u>										
General government	\$ 108,980	\$ 120,104	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837	\$ 238,847	\$ 397,881	\$ 236,202	\$ 165,065
Public protection	353,458	321,375	357,729	403,393	409,330	423,996	477,616	485,608	414,152	491,388
Public ways and facilities	19,419	16,369	20,058	23,460	24,375	23,731	27,706	27,221	25,938	30,115
Health and sanitation	246,652	243,919	275,293	304,204	350,672	376,472	386,005	408,741	442,737	448,120
Public assistance	221,761	211,921	222,255	243,469	250,393	255,556	230,967	283,760	281,337	311,497
Recreation	10,420	11,537	13,171	15,483	16,252	16,839	22,676	21,148	21,895	23,291
Interest on long-term debt	16,351	22,980	22,187	19,068	17,691	22,098	22,817	23,745	28,402	24,246
Total governmental activities expenses	<u>977,041</u>	<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>Business-type activities:</u>										
San Mateo Medical Center	244,015	233,186	264,854	290,389	314,258	335,511	403,981	399,704	397,777	418,537
Airports	2,877	3,312	3,318	3,808	4,533	4,737	5,004	4,736	4,635	5,108
Coyote Point Marina	790	921	1,090	1,234	2,261	1,306	1,466	1,461	1,661	1,372
Housing Authority	71,052	68,016	72,783	82,567	89,191	95,526	108,385	123,320	130,654	133,240
Total business-type activities expenses	<u>318,734</u>	<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>
Total primary government expenses	<u>\$ 1,295,775</u>	<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>
Program Revenues										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 33,588	\$ 30,261	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674	\$ 33,198	\$ 47,995	\$ 67,696	\$ 79,731
Public protection	34,680	35,191	36,755	35,998	37,529	41,024	57,108	56,922	61,830	58,135
Public ways and facilities	2,246	2,527	2,387	2,979	3,002	3,041	3,804	3,773	4,316	3,605
Health and sanitation	73,499	104,099	91,215	92,286	91,551	106,810	102,620	110,042	118,271	111,216
Public assistance	5,085	5,898	5,880	5,416	6,147	6,165	6,263	11,718	7,361	6,231
Recreation	1,983	1,649	2,238	2,531	2,906	2,663	3,650	2,425	1,733	1,898
Operating grants and contributions	481,941	516,195	479,695	501,166	566,848	594,396	568,353	783,503	782,230	723,151
Capital grants and contributions	-	-	-	-	-	-	-	-	-	100
Total governmental activities program revenues	<u>633,022</u>	<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>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	183,861	195,904	227,104	239,908	270,519	292,855	341,987	345,657	364,625	358,845
Airports	2,712	2,674	3,833	3,812	4,032	3,847	4,232	5,565	5,251	4,397
Coyote Point Marina	977	1,089	1,103	1,196	1,420	1,467	1,531	1,550	1,596	1,492
Housing Authority	3,402	67,625	71,351	78,238	97,623	94,057	116,163	130,386	133,330	132,120
Operating grants and contributions	70,400	5,369	3,316	1,488	1,095	71	20,339	8,584	11,072	2,777
Capital grants and contributions	6,623	2,279	5,226	6,431	4,919	5,007	4,585	3,211	4,294	5,725
Total business-type activities program revenues	<u>267,975</u>	<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>505,356</u>
Total primary government program revenues	<u>\$ 900,997</u>	<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>\$ 1,489,423</u>
Net Expense ¹										
Governmental activities	\$ (344,019)	\$ (252,385)	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)	\$ (631,638)	\$ (631,726)	\$ (407,226)	\$ (509,655)
Business-type activities	(50,759)	(30,495)	(30,112)	(46,925)	(30,635)	(39,776)	(29,999)	(34,268)	(14,559)	(52,902)
Total primary government net expenses	<u>\$ (394,778)</u>	<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>

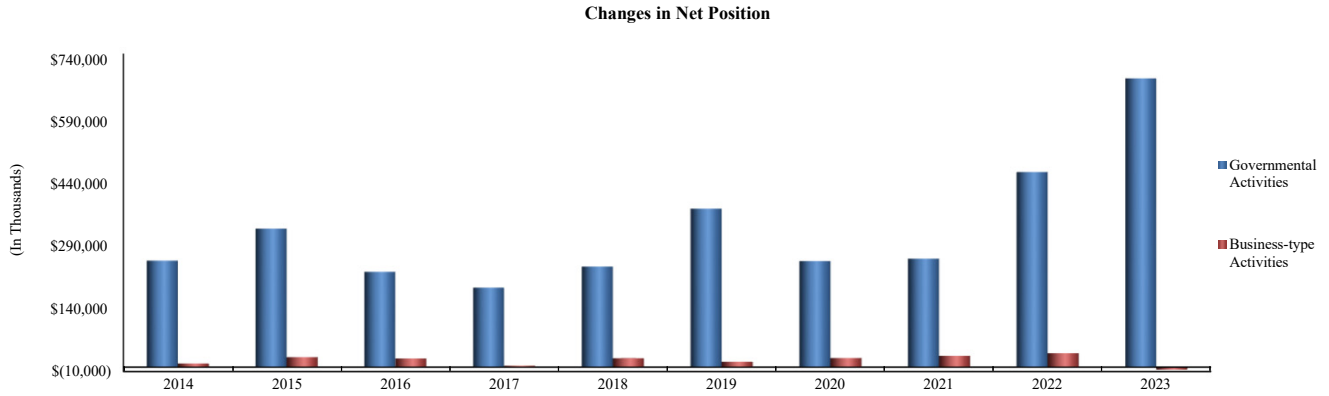
Source: Government-Wide Financial Statements - Annual Comprehensive Financial Reports, County of San Mateo, California

Notes:
¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

(Continued)

COUNTY OF SAN MATEO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 430,981	\$ 455,001	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342	\$ 691,462	\$ 782,391	\$ 763,379	\$ 932,073
Property transfer taxes	8,747	10,333	9,978	10,088	11,008	11,315	10,291	13,575	16,234	9,663
Sales and use taxes	95,357	102,724	98,437	107,398	114,743	127,083	118,681	108,058	138,752	155,103
Property tax in-lieu of sales taxes	5,726	6,793	4,808	-	-	-	-	-	-	-
Transient occupancy taxes	1,519	1,527	1,490	1,749	2,160	1,750	1,920	2,619	4,393	4,837
Aircraft taxes	1,399	1,125	1,086	1,487	1,418	1,413	984	1,016	1,647	1,616
Vehicle rental business license tax	12,254	12,181	12,145	12,581	10,946	11,540	10,911	2,476	8,668	12,899
Unrestricted interest and investment earnings	11,861	13,742	21,026	14,859	24,828	58,417	78,726	4,094	(57,313)	69,362
Miscellaneous	39,880	35,070	27,188	42,246	44,792	45,228	60,531	36,950	47,287	57,777
Special items	45,283	-	(603)	-	-	-	(39,088)	-	-	-
Transfers	(53,788)	(53,939)	(49,923)	(50,265)	(50,915)	(47,783)	(48,388)	(59,443)	(48,290)	(41,844)
Total governmental activities	\$ 599,219	\$ 584,557	\$ 597,617	\$ 655,079	\$ 724,244	\$ 858,305	\$ 886,030	\$ 891,736	\$ 874,757	\$ 1,201,486
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	170	333	776	(222)	156	2,448	1,784	321	(3,231)	1,322
Miscellaneous	5,547	502	283	422	1,271	2,649	1,869	1,878	3,231	3,821
Transfers	53,788	53,939	49,923	50,265	50,915	47,783	48,388	59,443	48,290	41,844
Total business-type activities	\$ 59,505	\$ 54,774	\$ 50,982	\$ 50,465	\$ 52,342	\$ 52,880	\$ 52,041	\$ 61,642	\$ 48,290	\$ 46,987
Total primary government	\$ 658,724	\$ 639,331	\$ 648,599	\$ 705,544	\$ 776,586	\$ 911,185	\$ 938,071	\$ 953,378	\$ 923,047	\$ 1,248,473
Change in Net Position										
Governmental activities	\$ 255,200	\$ 332,172	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549	\$ 254,392	\$ 260,010	\$ 467,531	\$ 691,831
Business-type activities	8,746	24,279	20,870	3,540	21,707	13,104	22,042	27,374	33,731	(5,915)
Total primary government	\$ 263,946	\$ 356,451	\$ 249,245	\$ 194,351	\$ 262,694	\$ 392,653	\$ 276,434	\$ 287,384	\$ 501,262	\$ 685,916

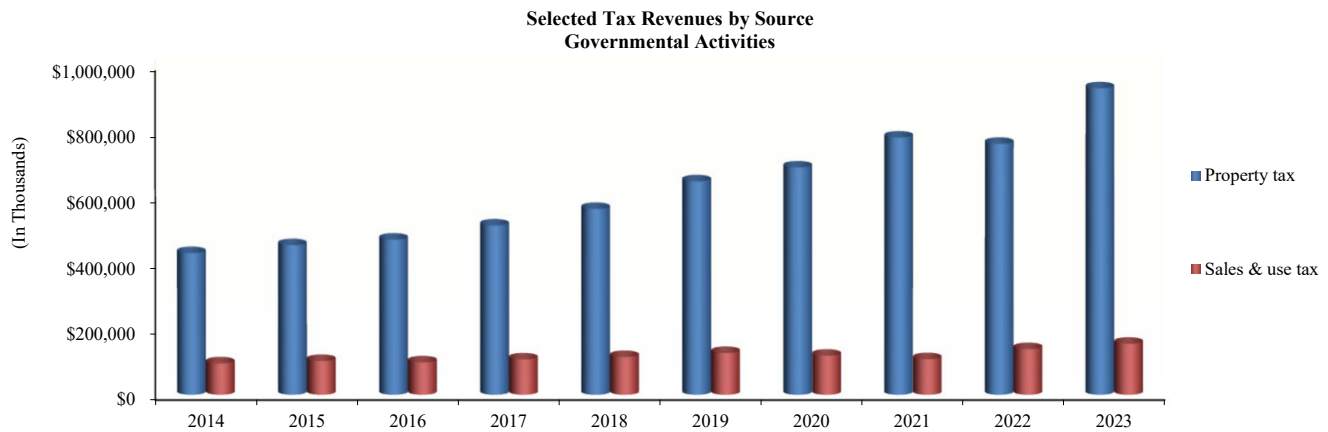


COUNTY OF SAN MATEO
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

Fiscal Year	Property	Property Transfer	Sales and Use Taxes ¹	Property tax in-lieu of Sales Tax	Vehicle Rental Business License Tax ²	Transient Occupancy	Aircraft	Total
2014	\$ 430,981	\$ 8,747	\$ 95,357 ³	\$ 5,726	\$ 12,254	\$ 1,519	\$ 1,399	\$ 555,983
2015	455,001	10,333	102,724	6,793	12,181	1,527	1,125	589,684
2016	471,985	9,978	98,437	4,808	12,145	1,490	1,086	599,929
2017	514,936	10,088	107,398	- ⁴	12,581	1,749	1,487	648,239
2018	565,264	11,008	114,743	-	10,946	2,160	1,418	705,539
2019	649,342	11,315	127,083	-	11,540	1,750	1,413	802,443
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

Change

2014 - 2023	116.3%	10.5%	62.7%	-100.0%	5.3%	218.4%	15.5%	100.8%
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Source: Controller's Office - County of San Mateo, California

Notes:

- ¹ In November 2012, San Mateo County voters approved a measure that increases the sales tax throughout the County by half a cent for the next 10 years (Measure A). Revenues from Measure A will be used to help fund county critical facilities and services.
- ² In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses in the unincorporated areas effective July 1, 2012.
- ³ The sharp increase in sales and use tax revenue is predominantly from the passage of Measure A that increases the County's sales tax by half a cent for the next 10 years since its inception on April 1, 2013.
- ⁴ In-lieu sales and use taxes (triple flip) was fully distributed from the State, thus ended the triple flip revenue.

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

	As of June 30,									
General Fund	<u>2014</u>	<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>
Nondspendable	\$ 31,031	\$ 35,269	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648	\$ 52,353	\$ 51,008	\$ 37,538	\$ 24,308
Restricted	146,966	85,816	89,025	94,418	127,495	151,220	130,731	148,768	187,083	215,910
Committed	13,481	-	-	-	-	-	-	-	-	-
Assigned	4,410	1,623	6,584	10,235	9,860	7,802	9,334	5,970	6,279	7,396
Unassigned	380,110	641,961	744,315	791,121	835,779	1,021,356	1,221,199	1,244,535	1,561,861	1,856,111
Total general fund	<u>575,998</u>	<u>764,669</u>	<u>873,829</u>	<u>935,880</u>	<u>1,019,332</u>	<u>1,231,026</u>	<u>1,413,617</u>	<u>1,450,281</u>	<u>1,792,761</u>	<u>2,103,725</u>
All Other Governmental Funds										
Nondspendable	362	347	464	709	718	1,176	1,262	1,097	1,251	1,396
Restricted	302,180	231,898	173,410	172,118	176,633	405,002	358,807	485,465	377,185	299,517
Assigned	95,372	95,239	107,192	100,162	96,646	99,039	153,189	167,036	133,377	202,674
Unassigned	-	(479)	(561)	(546)	(435)	(259)	(789)	(907)	-	(88)
Total all other governmental funds	<u>397,914</u>	<u>327,005</u>	<u>280,505</u>	<u>272,443</u>	<u>273,562</u>	<u>504,958</u>	<u>512,469</u>	<u>652,691</u>	<u>511,813</u>	<u>503,499</u>
Total Governmental Funds¹										
Nondspendable	31,393	35,616	34,369	40,815	46,916	51,824	53,615	52,105	38,789	25,704
Restricted	449,146	317,714	262,435	266,536	304,128	556,222	489,538	634,233	564,268	515,427
Committed	13,481	-	-	-	-	-	-	-	-	-
Assigned	99,782	96,862	113,776	110,397	106,506	106,841	162,523	173,006	139,656	210,070
Unassigned	380,110	641,482	743,754	790,575	835,344	1,021,097	1,220,410	1,243,628	1,561,861	1,856,023
Total governmental funds	<u>\$ 973,912</u>	<u>\$ 1,091,674</u>	<u>\$ 1,154,334</u>	<u>\$ 1,208,323</u>	<u>\$ 1,292,894</u>	<u>\$ 1,735,984</u>	<u>\$ 1,926,086</u>	<u>\$ 2,102,972</u>	<u>\$ 2,304,574</u>	<u>\$ 2,607,224</u>

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

Notes:

¹ Governmental funds include general fund, special revenue funds, debt service funds, and capital projects funds.

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

	Fiscal Year Ended June 30,										10 Year % of Increase/ Decrease
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Revenues											
Taxes	\$ 554,773	\$ 587,811	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	\$ 805,567	\$ 742,389	\$ 997,768	\$ 1,057,940	90.70%
Licenses and permits	9,678	10,023	7,963	10,982	11,283	11,428	10,957	11,126	11,650	11,758	21.49%
Intergovernmental	470,364	508,386	494,214	501,439	542,832	576,465	602,183	771,675	765,150	722,063	53.51%
Charges for services	140,023	176,654	161,243	153,387	163,242	169,368	185,000	225,526	240,597	220,421	57.42%
Fines, forfeitures and penalties	11,476	11,098	11,679	9,486	9,994	11,378	9,807	7,836	8,687	4,729	-58.79%
Rents and concessions	3,538	1,178	1,769	1,655	1,664	1,602	1,994	2,187	2,604	2,689	-24.00%
Investment income (loss)	10,352	12,187	18,371	12,705	22,489	54,856	75,078	1,830	(54,381)	67,671	553.70%
Other revenues	31,682	28,529	24,800	29,557	28,522	27,794	41,336	33,176	39,842	45,333	43.09%
Total revenues	1,231,886	1,335,866	1,325,560	1,361,209	1,475,385	1,721,783	1,731,922	1,795,745	2,011,917	2,132,604	73.12%
Expenditures											
Current:											
General government*	100,404	119,377	109,491	115,071	146,140	136,521	201,816	396,922	259,536	210,463	109.62%
Public protection*	342,040	358,412	387,217	399,087	409,443	431,708	435,617	447,202	450,449	476,049	39.18%
Public ways and facilities	18,910	16,790	20,284	22,225	23,575	23,171	25,663	25,262	25,942	28,047	48.32%
Health and sanitation	243,850	258,824	287,217	305,386	354,334	383,507	372,682	395,870	462,143	445,043	82.51%
Public assistance	220,554	225,296	232,283	245,416	254,197	262,152	223,089	275,127	295,989	309,887	40.50%
Recreation	9,633	11,553	12,992	14,629	15,314	16,100	20,023	18,649	21,343	21,194	120.01%
Capital outlay	76,041	125,473	97,594	67,477	57,103	99,858	126,002	124,741	215,064	251,763	231.09%
Debt service:											
Principal	14,340	14,130	15,054	33,680	34,008	33,590	32,163	28,957	27,668	22,831	59.21%
Interest	16,278	24,377	22,926	20,622	20,080	20,248	26,336	27,317	31,188	26,926	65.41%
Payment to bond refunding escrow	1,085	-	9,758	-	-	-	-	-	-	-	0.00%
Bond issuance costs	1,042	-	1,506	-	-	1,454	274	1,451	43	113	100.00%
Bond insurance costs	-	-	-	7	16	33	56	43	-	-	0.00%
Total expenditures	1,044,177	1,154,232	1,196,322	1,223,600	1,314,210	1,408,342	1,463,721	1,741,541	1,789,365	1,792,316	71.65%
Excess of revenues over expenditures	187,709	181,634	129,238	137,609	161,175	313,441	268,201	54,204	222,552	340,288	81.28%
Other financing sources (uses)											
Issuance of debt	-	1,332	619	222	1,974	217,744	-	153,005	-	-	0.00%
Proceeds from sale of capital assets	3	-	9	33	3	3	-	-	-	-	-100.00%
Issuance of refunding bonds	215,130	-	126,325	-	-	-	45,170	-	-	26,345	0.00%
Premium on lease revenue and revenue refunding bonds	27,308	-	18,690	-	-	13,860	4,090	17,667	-	4,949	0.00%
Payment to bond refunding escrow/agent	(39,155)	-	(143,364)	-	-	-	(49,993)	-	-	(31,145)	0.00%
Leases	-	-	-	-	-	-	-	-	36,920	2,367	100.00%
Subscriptions	-	-	-	-	-	-	-	-	-	1,761	100.00%
Transfers in	168,487	89,486	133,978	135,225	153,067	158,943	226,064	180,939	188,408	227,581	35.07%
Transfers out	(222,542)	(144,690)	(183,297)	(185,500)	(204,018)	(210,233)	(274,707)	(244,861)	(241,178)	(269,496)	21.10%
Total other financing sources (uses)	149,231	(53,872)	(47,040)	(50,020)	(48,974)	180,317	(49,376)	106,750	(15,850)	(37,638)	-125.22%
Change in fund balances before special item	336,940	127,762	82,198	87,589	112,201	493,758	218,825	160,954	206,702	302,650	-10.18%
Special item	37,054	(10,000)	(19,538)	(33,600)	(27,630)	(50,668)	(28,723)	-	-	-	0.00%
Net change in fund balances	\$ 373,994	\$ 117,762	\$ 62,660	\$ 53,989	\$ 84,571	\$ 443,090	\$ 190,102	\$ 160,954	\$ 206,702	\$ 302,650	-19.08%
Debt service as a percentage of noncapital expenditures											
	3.16%	3.74%	3.46%	4.70%	4.30%	4.11%	4.37%	3.48%	3.74%	3.23%	

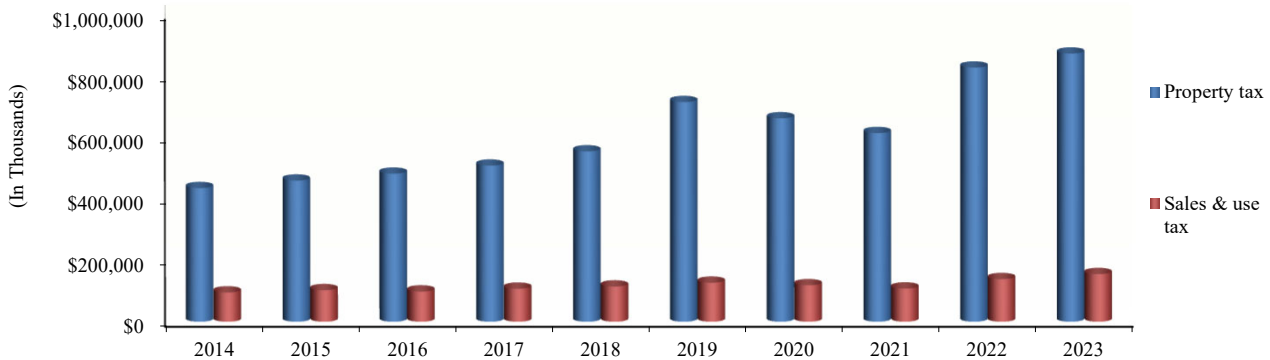
Source: Governmental Funds Financial Statements - Annual Comprehensive Financial Reports, County of San Mateo, California

* 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)

Fiscal Year	Property Taxes	Sales & Use Taxes	Property Transfer Taxes	Vehicle Rental Business License Tax ²	All Other Taxes	Total
2014	\$ 435,497	\$ 95,357 ¹	\$ 8,747	\$ 12,254	\$ 2,918	\$ 554,773
2015	459,921	102,724	10,333	12,181	2,652	587,811
2016	482,385	98,437	9,978	12,145	2,576	605,521
2017	508,695	107,398	10,088	12,581	3,236	641,998
2018	555,084	114,743	11,008	10,946	3,578	695,359
2019	715,791 ³	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
10 year % of change	100.6%	62.7%	10.5%	5.3%	121.1%	90.7%

Selected Tax Revenues by Source
Governmental Funds



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

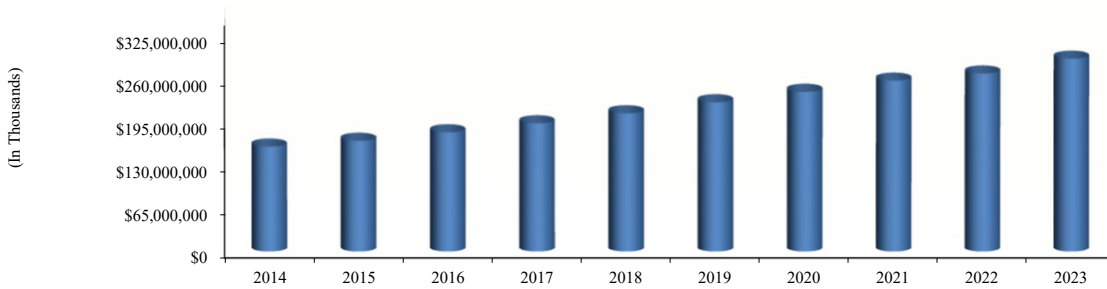
Notes:

- ¹ The sharp increase in sales and use tax revenue is predominantly from the passage of Measure A, which increased the County's sales tax by half a cent for the next 10 years since its inception on April 1, 2013.
- ² In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses in the unincorporated areas effective July 1, 2012.
- ³ 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)

Fiscal Year	Real Property²	Personal Property	Less: Tax Exempt Real Property	Plus: Tax Exempt Homeowner	Total Taxable Assessed Value¹	% of Change Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 156,221,561	\$ 6,389,447	\$ 5,036,955	\$ 889,732	\$ 158,463,785	6%	1%
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%
10 year % of Change	85.84%	53.99%	92.74%	-8.95%	83.80%		

Total Taxable Assessed Value



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

Notes:

¹ Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property that is subject to taxes at the full cash value that appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2%,
- b) current market value at time of ownership change, and
- c) market value for new construction.

² Value of taxable property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

COUNTY OF SAN MATEO
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year³	Direct Rate¹	Overlapping Rates²			Total
	County General	Local Special Districts	Schools	Cities	
2014	1.0000	0.0009	0.1100	0.0039	1.1148
2015	1.0000	0.0008	0.1234	0.0037	1.1279
2016	1.0000	0.0011	0.1284	0.0032	1.1327
2017	1.0000	0.0010	0.1333	0.0029	1.1372
2018	1.0000	0.0010	0.1315	0.0027	1.1352
2019	1.0000	0.0014	0.1235	0.0025	1.1274
2020	1.0000	0.0013	0.1328	0.0023	1.1364
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

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

Notes:

¹ On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation enacted to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) which provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978. Proposition 13 allows each county to levy a maximum tax of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

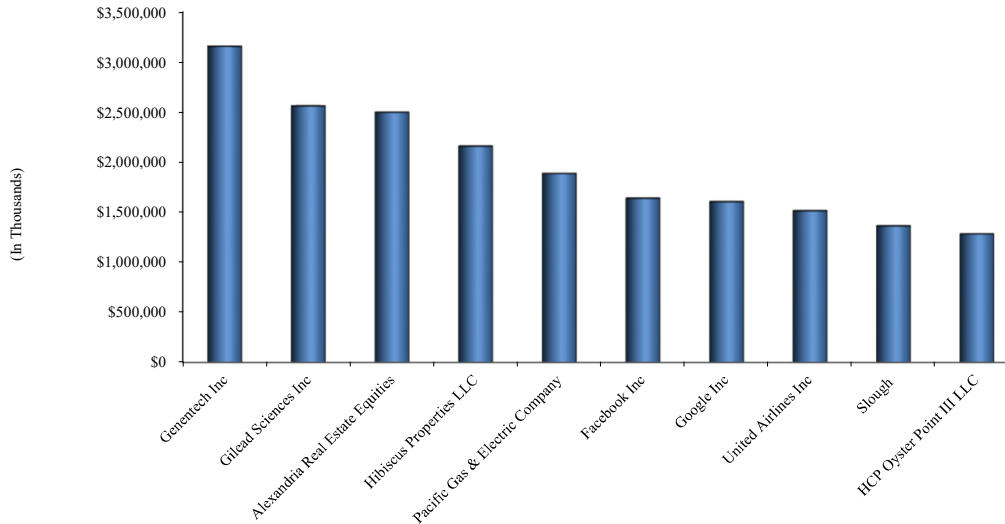
² These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

³ Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax rates.

COUNTY OF SAN MATEO
Principal Property Assesseees
As of January 1, 2023 and January 1, 2014
(In Thousands)

Assessee	Nature of Business	As of January 1, 2023			As of January 1, 2014		
		Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
		Value ¹		Value ²	Value ¹		Value
Genentech Inc	Biotechnology	\$ 3,156,587	1	1.08%	\$ 1,702,972	1	1.07%
Gilead Sciences Inc	Biopharmaceutical	2,562,195	2	0.88%	841,741	3	0.53%
Alexandria Real Estate Equities	Real Estate	2,498,468	3	0.86%	355,496	8	0.22%
Hibiscus Properties LLC	Real Estate	2,160,218	4	0.74%			
Pacific Gas & Electric Company	Natural Gas Company	1,887,077	5	0.65%			
Facebook Inc	Technology	1,640,460	6	0.56%			
Google Inc	Technology	1,605,586	7	0.55%			
United Airlines Inc	Air Carrier	1,515,142	8	0.52%	1,586,582	2	1.00%
Slough	Lease	1,363,562	9	0.47%			
HCP Oyster Point III LLC	Biotechnology	1,283,255	10	0.44%			
Slough BTC LLC	Lease				573,834	5	0.36%
Slough SSF LLC DE	Lease				488,848	6	0.31%
Oracle Corporation	Software				628,740	4	0.40%
Pacific Shores Investors LLC	Investment				410,058	7	0.26%
Virgin America Inc	Air Carrier				330,953	9	0.21%
Wells Real Estate Investment Trust	Real Estate				326,635	10	0.21%
Total		\$ 19,672,550		6.75%	\$ 7,245,859		4.57%

Principal Property Assesseees
As of January 1, 2023



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

Notes:

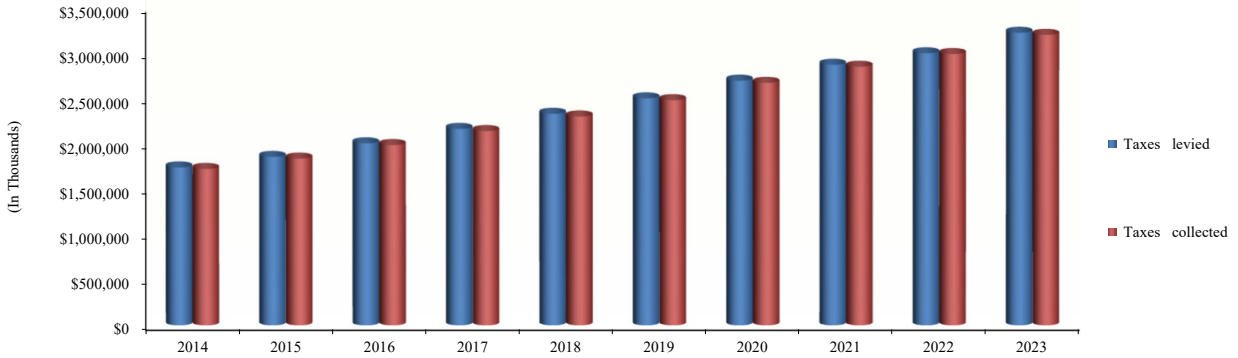
¹ Taxable assessed value includes locally and state assessed real and personal properties.

² Total taxable assessed value as of January 1, 2023 was approximately \$290 billion.

COUNTY OF SAN MATEO
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Total Tax Levy for the Fiscal Year					Collected within the Fiscal Year of the Levy			Total Collections to Date		
	General Levy ¹	Debt Service Levy ²				Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
	Countywide	Local Special Districts	Schools	Cities	Total ³						
2014	\$ 1,584,637	\$ 1,233	\$ 151,643	\$ 5,362	\$ 1,742,875	\$ 1,723,890	98.91%	\$ 2,203	\$ 1,726,093	99.04%	
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%	n/a	3,205,184	99.28%	

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.

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

² Figures represent debt service levy for the local taxing agencies.

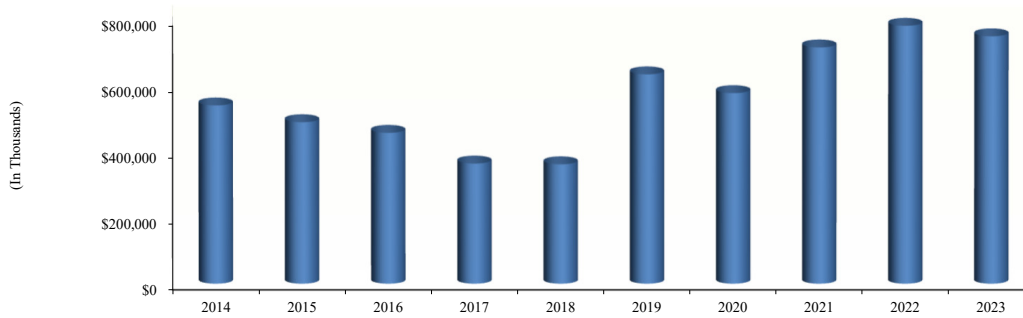
³ Total taxes levied for each fiscal year are based on the original property value assessment rolls provided by the County Assessor's Office.

n/a - Information is unavailable.

COUNTY OF SAN MATEO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Governmental Activities							Business-Type Activities				Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita (In Absolute \$)
	Lease Revenue Bonds ¹	Certificates of Participation ²	Revenue Refunding Bonds ³	Notes Payable	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal	Notes Payable	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal			
2014	\$ 513,149	\$ 21,914	\$ -	\$ 124	\$ -	\$ 1,486	\$ 536,673	\$ 3,865	\$ -	\$ -	\$ 3,865	\$ 540,538	0.76%	\$ 725
2015	460,065	23,436	-	-	-	2,293	485,794	4,000	-	-	4,000	489,794	0.62%	698
2016	432,360	-	18,725	-	-	2,946	454,031	3,511	-	-	3,511	457,542	0.56%	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	0.63%	738
2020	570,202	-	-	-	-	4,249	574,451	2,207	-	1,337	3,544	577,995	0.53%	747
2021	708,620	-	-	-	-	4,098	712,718	2,135	-	1,587	3,722	716,440	n/a	936
2022	677,050	-	-	-	62,573	3,944	743,567	2,059	34,693	1,795	38,547	782,114	n/a	1,056
2023	649,638	-	-	-	59,140	3,787	712,565	1,980	33,553	2,079	37,612	750,177	n/a	1,017

County Debt



Source: County Annual Comprehensive Financial Reports.

Notes:

¹ Lease revenue bonds are limited obligations of the San Mateo County Joint Powers Financing Authority (JPFA) payable solely from, and secured by, revenues of the JPFA, which primarily consist of base rental payments receivable from the County under Master Facility Leases.

² Certificates of participation represent shares of lease-purchase payments from the Colma Creek Flood Control District via the JPFA. These tax-exempt certificates are sold publicly and privately to investors.

³ In FY 2015-16, the San Mateo County Flood Control District issued \$21.5 million Revenue Refunding Bonds to refund the certificates of participation. 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, 2023
(In Thousands)

Assessed valuation (including unitary utility valuation)	\$ 290,887,660		
Redevelopment Incremental Assessed Valuation	\$ 29,841,591		
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
	Debt	Estimated	Estimated
	Outstanding	Percentage	Share of
		Applicable¹	Overlapping
			Debt⁴
Direct General Fund Obligation Debt			
San Mateo County General Fund Obligations	\$ 649,638	100.00%	\$ 649,638
Other long-term obligations	3,787	100.00%	3,787
Total direct debt	653,425		653,425
Overlapping General Fund Obligation Debt			
<i>Cities</i>			
City of Burlingame General Fund and Pension Obligations	43,005	100.00%	43,005
City of Daly City Pension Obligations	4,325	100.00%	4,325
City of Pacifica General Fund Obligations and Pension Obligations	22,770	100.00%	22,770
City of San Mateo General Fund Obligations	59,995	100.00%	59,995
City of South San Francisco General Fund Obligation Bonds	188,425	100.00%	188,425
Other City General Fund and Pension Obligations	81,547	100.00%	81,547
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	91,571	32.70%	29,944
Menlo Park Fire Protection District Certificates of Participation	8,935	100.00%	8,935
Woodside Fire Protection District Certificates of Participation	12,275	100.00%	12,275
Highland Recreation District General Fund Obligations	2,023	100.00%	2,023
San Mateo County Flood and Sea LRR District General Fund Obligations	13,890	100.00%	13,890
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,618	100.00%	3,618
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	6,120	100.00%	6,120
South San Francisco Unified School District Certificates of Participation	2,770	100.00%	2,770
Jefferson Union High School District Certificates of Participation	47,490	100.00%	47,490
Portola Valley School District Certificates of Participation	906	100.00%	906
San Bruno School District General Fund Obligations	1,800	100.00%	1,800
Total overlapping general fund obligation debt	591,465		529,838
Overlapping Tax and Assessment Debt			
<i>Cities</i>			
	129,240	100.00%	129,240
<i>Special Districts</i>			
Midpeninsula Open Space Park District	82,680	32.70%	27,036
Montara Sanitary District	5,229	100.00%	5,229
Community Facilities Districts	105,725	100.00%	105,725
1915 Act Bonds	6,776	100.00%	6,776
<i>School Districts</i>			
San Mateo Community College District	708,838	100.00%	708,838
Cabrillo Unified School District	143,760	100.00%	143,760
La Honda-Pescadero Unified School District	12,857	100.00%	12,857
South San Francisco School District	308,886	100.00%	308,886
Jefferson Union High School District	315,254	100.00%	315,254
San Mateo Union High School District	637,552	100.00%	637,552
Sequoia Union High School District	440,812	100.00%	440,812
Belmont-Redwood Shores School and School Facilities Improvement Districts	57,288	100.00%	57,288
Burlingame School District	156,676	100.00%	156,676
Hillsborough School District	101,179	100.00%	101,179
Jefferson School District	133,755	100.00%	133,755
Menlo Park City School District	116,920	100.00%	116,920
Millbrae School District	119,098	100.00%	119,098
Redwood City School District	260,775	100.00%	260,775
San Carlos School District	100,663	100.00%	100,663
San Mateo - Foster City School District	522,453	100.00%	522,453
Other School District	422,205	100.00%	422,205
Total overlapping tax and assessment debt	4,888,621		4,832,977
Overlapping Tax Increment Debt			
	116,329	100.00%	116,329
Total overlapping debt	5,596,415		5,479,144
Total direct and overlapping debt	\$ 6,249,840 ²		\$ 6,132,569
Ratio of total direct and overlapping debt to adjusted assessed value:			
	2.15%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value ³ of \$29,841,591			
	0.39%		

Source: California Municipal Statistics, Inc.

¹ Percentage of overlapping agency's assessed valuation located within the boundaries of the county.

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

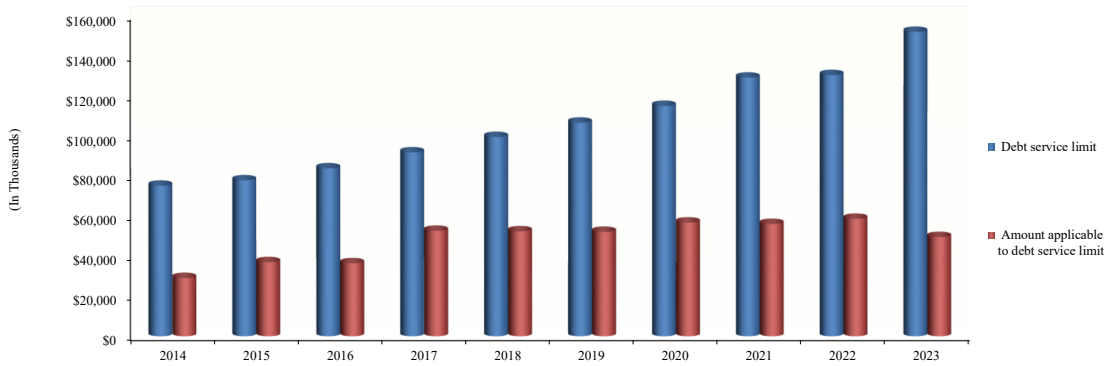
³ Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment.

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

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

	<u>2014</u>	<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>
Average Annual County budget ¹ for the current and preceding four fiscal years	\$ 1,878,770	\$ 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
Legal debt service limit ²										
4% of average county annual budget for the current and preceding four fiscal years	75,151	77,849	83,839	91,816	99,517	106,682	115,064	129,210	130,479	152,080
Less: Amount applicable to debt service limit ³	(29,086)	(36,996)	(36,436)	(52,661)	(52,384)	(52,119)	(56,781)	(56,060)	(58,641)	(49,542)
Legal debt service margin	\$ 46,065	\$ 40,853	\$ 47,403	\$ 39,155	\$ 47,133	\$ 54,563	\$ 58,283	\$ 73,150	\$ 71,838	\$ 102,538
Legal debt service margin as a percentage of debt service limit	61.30%	52.48%	56.54%	42.65%	47.36%	51.15%	50.65%	56.61%	55.06%	67.42%

Legal Debt Service Limit



Source: County's Adopted Budget Books

Notes:

¹ The annual County budget represents the adopted annual budget of all funds in the County.

² County Ordinance No. 3773 requires the Board of Supervisors establish the County debt service limit annually. Under this ordinance, the debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years, and shall be for non-voter approved debt that is the obligation of the County.

³ The information reflects debt service payments towards non-voter approved debt that is the obligation of the County.

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

	1993 Lease Revenue Bonds	2013 Lease Revenue Bonds
Purpose:	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.
Funding Source:	General Fund and Criminal Justice Facilities Fund.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2014	\$ 5,070	\$ 3,290	\$ 2,069	0.95	\$ 861	\$ -	\$ 861	1.00
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

	2014 Lease Revenue Bonds	2016 Lease Revenue Bonds
Purpose:	To provide funds, together with other available moneys, (i) to finance the acquisition, construction, and equipping of the Maple Street Correctional Center, (ii) to refund all of the outstanding notes previously issued by the County in FY 2013-14, the proceeds of which were used to reimburse the County for the purchase price of the jail project site, (iii) to pay capitalized interest on the 2014 Bonds through May 30, 2016, (iv) to provide the Reserve Account Requirement, and (v) pay issuance costs of the 2014 Bonds.	To provide funds, together with other available moneys, (i) to refund outstanding 2008 Bonds to pay costs of issuance of the 2016 Bonds, and (ii) to pay costs relating to the refunding of the 2008 Bonds.
Funding Source:	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	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

	1993 Satellite Clinic	2018 Lease Revenue Bonds
Purpose:	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.
Funding Source:	Health department.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	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

(Continued)

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

	<u>2019 Revenue Refunding Bonds</u>	<u>2021A Lease Revenue Bonds</u>
Purpose:	Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, and (ii) pay costs of issuance.	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.
Funding Source:	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	Revenue	Principal	Interest			Revenue	Principal	
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

	<u>2023A Revenue Refunding Bonds</u>
Purpose:	Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2013 Bonds, (ii) pay costs of issuance.
Funding Source:	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹
	Revenue	Principal	Interest	
2023	\$ -	\$ -	\$ -	-

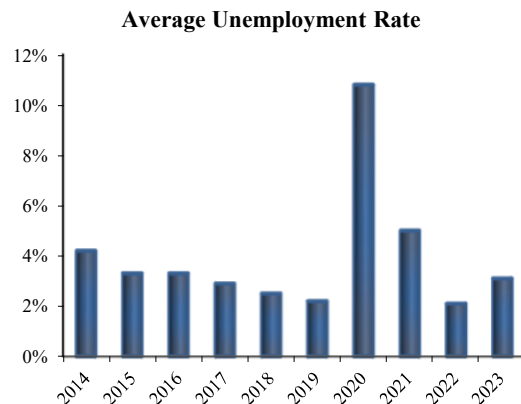
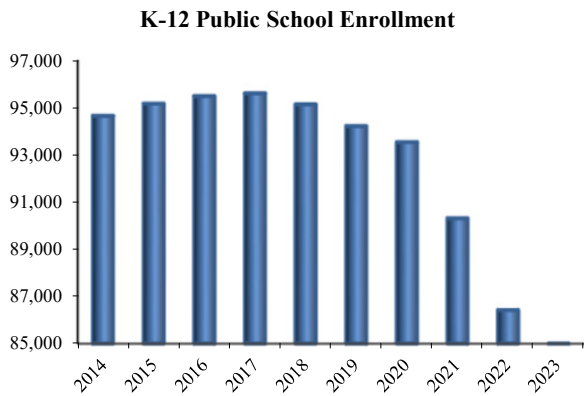
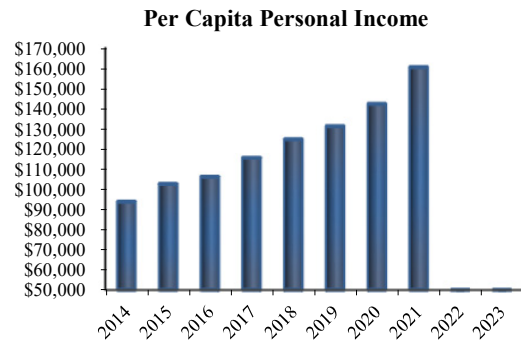
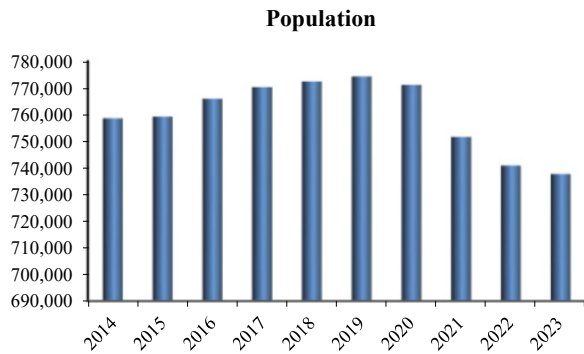
Sources:

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

¹ Debt service payments not covered by available revenues were funded by amounts available in accounts with Trustee.

COUNTY OF SAN MATEO
Demographic and Economic Statistics
Last Ten Years

Year	Population ¹ (January 1st)	Total Personal Income ⁵ (in millions)	Per Capita Personal Income ⁵	Median Age ⁴	K-12 Public School Enrollment ²	Average Unemployment Rate ³
2014	758,581	\$ 71,027	\$ 93,802	39.4	94,667	4.2%
2015	759,155	78,525	102,639	39.8	95,187	3.3%
2016	765,895	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	100,799	131,180	39.9	94,234	2.2%
2020	771,061	108,470	142,264	39.8	93,554	10.8% ⁶
2021	751,596	118,420	160,485	40.8	90,315	5.0%
2022	740,821	n/a	n/a	41.4	86,422	2.1%
2023	737,644	n/a	n/a	n/a	84,836	3.1%



Sources:

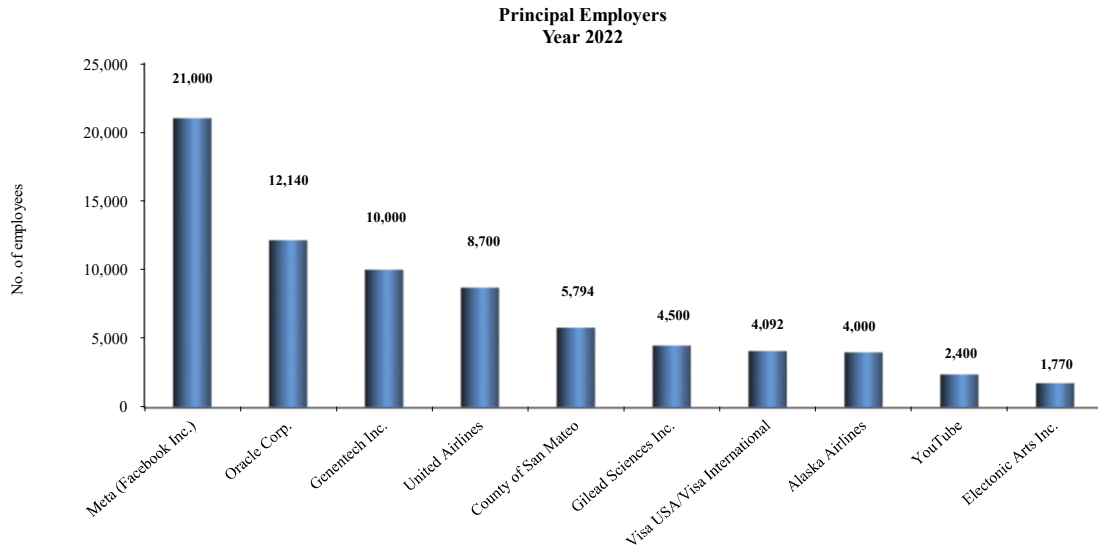
- ¹ Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- ² Data include retroactive revisions by the State of California Department of Education.
- ³ Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.
- ⁴ U.S. Census Bureau, American Community Survey.
- ⁵ Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.
- ⁶ 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 2022 and Year 2014**

Employer	Business Type	2022 ¹			2014		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Meta (Facebook Inc.)	Social Network	21,000	1	4.75%	3,957	5	0.96%
Oracle Corp.	Hardware and Software	12,140	2	2.75%	6,750	3	1.63%
Genentech Inc.	Biotechnology	10,000	3	2.26%	9,800	2	2.37%
United Airlines	Airline	8,700	4	1.97%	10,000	1	2.42%
County of San Mateo	Government	5,794	5	1.31%	5,472	4	1.32%
Gilead Sciences Inc.	Biotechnology	4,500	6	1.02%	3,115	8	0.75%
Visa USA/Visa International	Global Payments Technology	4,092	7	0.93%	3,500	7	0.85%
Alaska Airlines	Airline	4,000	8	0.91%			
YouTube	Online Video-Streaming Platform	2,400	9	0.54%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,770	10	0.40%			
Kaiser Permanente	Health Care				3,900	6	0.94%
Mills-Peninsula Health Services	Health Care				2,500	9	0.61%
San Mateo Community College	College				2,285	10	0.56%
Total		74,396		16.84%	51,279		12.41%



Source: San Francisco Business Times - 2023 Book of Lists.
San Francisco Business Times-Confirmation Email.
California Employment Development Department

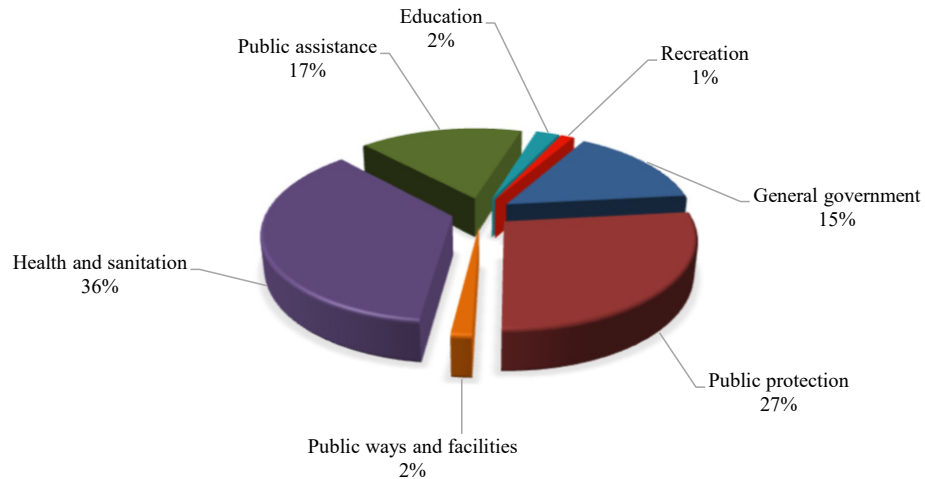
Notes:

¹ The latest information available for principal employers in the County.

COUNTY OF SAN MATEO
Full-time Equivalent County Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	704	706	746	762	796	811	866	863	863	867
Public protection	1,454	1,531	1,545	1,581	1,606	1,621	1,592	1,603	1,591	1,574
Public ways and facilities	86	85	92	86	86	86	87	87	87	87
Health and sanitation	1,851	1,906	1,961	1,955	1,976	2,011	2,015	2,002	2,024	2,090
Public assistance	979	915	921	924	924	928	939	938	943	965
Education	108	109	110	109	111	111	113	116	122	136
Recreation	59	57	64	68	71	72	74	74	75	75
Total full-time equivalent employees ¹	5,241	5,309	5,439	5,485	5,570	5,640	5,686	5,683	5,705	5,794

Full-time Equivalent County Employees by Function
As of June 30, 2023



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

Notes:

¹ The full-time equivalent (FTE) employee count is based on the information available in the County's Budget System and may change due to revision.

COUNTY OF SAN MATEO
Operating Indicators by Function
Fiscal Years 2021-2022

Function ¹	Fiscal Year ²	
	2021	2022
General Government		
<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	\$76M	\$69M
Public Protection		
<i>District Attorney</i>		
Number of elder abuse cases referred to the DAO for criminal charges	978	959
Number of referred criminal cases that involve victims who are people of color	3,021	4,350
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general jurisdiction	11,472	16,437
Number of client complaints		
Relationship issues	78	85
Performance issues	48	39
<i>Sheriff's Office</i>		
<i>Forensic Laboratory</i>		
Average number of days to analyze sexual assault kits with qualifying DNA profiles and enter in CODIS	106	111
<i>Patrol Bureau</i>		
Average response time for priority one calls	5 mins	5 mins
Percent of domestic violence calls successfully referred to intervention programs	100%	100%
<i>Investigations Bureau</i>		
Annual clearance rates of violent crimes	61%	n/a
<i>Homeland Security</i>		
Number of hours donated by Sheriff's Office volunteers	n/a	31,712
<i>Correctional Facility</i>		
Percent of inmates working with in-custody case managers	83%	85%
<i>Probation Department</i>		
<i>Adult and Juvenile Services</i>		
³ Percent of offenders successfully completing probation	80%	80%
<i>Coroner's Office</i>		
Average cost per investigation	\$2,667	\$2,712
Percent of cases closed within 90 days	75%	85%
Percent of staff who complete a diversity or unconscious-bias training	56%	63%
Public Ways and Facilities		
<i>Department of Public Works</i>		
<i>Community Services</i>		
³ Use of non-traditional or innovative applications in transportation network projects	1	3
Percent of staff meeting the annual training target of 20 hours (including equity training)	n/a	89%
<i>Engineering Services</i>		
³ Use of non-traditional or innovative applications in transportation network projects	1	3
<i>Construction Services</i>		
³ Increase the percentage productivity rate of Construction Services (CSS) staff	53%	42%
<i>Utilities</i>		
Percent of streetlights repaired in ten working days	100%	99%
<i>Airports</i>		
Utilize technology to track aircraft flight paths and adherence with noise abatement procedures	97%	99%
Health and Sanitation		
<i>Health System</i>		
<i>Health Services</i>		
Life expectancy (age)	85	85
Reduce gap in COVID-19 test positivity between lowest health places index communities and countywide levels	4.3%	n/a
<i>Health Administration</i>		
³ Number and percent staff participation in racial equity training	25%	928
<i>Public Health, Policy and Planning</i>		
Percent of HIV clients with undetectable viral load	92%	96%
<i>Health Coverage Unit</i>		
Percent of residents enrolled in ACE	3.4%	n/a

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

n/a - not applicable

¹ Functions/programs operate by the County.

² The County continuously develops and updates new set of performance measures yearly.

³ The latest information available for operating indicators by function in the County.

(Continued)

COUNTY OF SAN MATEO
Operating Indicators by Function (continued)
Fiscal Years 2021-2022

<u>Function</u> ¹	<u>Fiscal Year</u> ²	
	<u>2021</u>	<u>2022</u>
<u>Health and Sanitation</u>		
<i>Health System</i>		
Emergency Medical Services		
Healthcare coalition members identified as small board and care facilities utilizing ReddiNet	24%	n/a
Aging and Adult Services		
Percent of eligible AAS clients who have received COVID-19 vaccination	45%	n/a
Environmental Health Services		
Number of violations observed per Inspection	4.5	4.1
Behavioral Health and Recovery Administration		
Administrative staff who have taken at least three of the Harvard implicit association tests	30%	n/a
Mental Health Youth Services		
Eligible youth clients who have received COVID-19 vaccination	30%	n/a
Mental Health Adult Services		
Eligible adult clients who have received COVID-19 vaccination	30%	n/a
Alcohol and Other Drug Services		
BHRS clients who received substance abuse treatment	30%	n/a
Family Health Services		
Breastfeeding rate of WIC babies at 6-Months-old, San Mateo County	51%	49%
Correctional Health Services		
³ Incarcerated individuals diagnosed with a substance use disorder who are engaged in medication assisted treatment	10%	20%
San Mateo Medical Center		
Percent gap in controlled hypertension between black patients and SMMC average across all populations	1.7%	0.4%
Eligible SMMC patients who have received COVID-19 vaccination	65%	n/a
<u>Public Assistance</u>		
<i>First 5 San Mateo County</i>		
Number of clients served	10,935	9,861
<i>IHSS Public Authority</i>		
Eligible IHSS providers who have received COVID-19 vaccination	50%	n/a
<i>Human Services Agency</i>		
Key Performance Measures		
Staff participation in racial equity training	50%	24%
Number of clients served by employment services	736	n/a
Vocational Rehabilitation Services (VRS)		
Number of clients served by VRS	602	556
Homeless and Safety Net Services		
Number of clients served by Core Service agencies	43,720	45,742
Community Capacity		
Number of clients served by the County Veterans Services Office	10,534	2,499
<i>Department of Child Support Services</i>		
Social Services		
Current Child Support collected	71%	n/a
Cases with a Child Support order	96%	94%
Cases with a payment towards arrears	76%	72%
Children in caseload with paternity established or acknowledged compared to births in the County	100%	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)	19,676	21,121
Percent of housing voucher utilization	98%	92%
Housing Authority		
Family self-sufficiency program participants exiting the voucher program with increased economic self-sufficiency	34	78
<u>Recreation</u>		
<i>Parks & Recreation</i>		
Reservations made by individuals residing in disadvantaged communities	3%	4%
Interpretative programs offered to disadvantaged communities within San Mateo County	46%	57%
Total acreage of fire fuel reduced	309	396
<i>Coyote Point Marina</i>		
Percent of berths filled	81%	78%

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

n/a - not applicable

¹ Functions/programs operated by the County.

² The County continuously develops and updates new set of performance measures yearly.

³ The latest information available for operating indicators by function in the County.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental Activities:</u>										
General government										
Child care centers	2	2	2	2	2	2	2	2	2	2
Fairground	1	1	1	1	1	1	1	1	1	1
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	4	5	7	7	7
Parking structures	2	2	2	2	2	2	1	2	2	2
Public protection										
Fire stations	4	4	4	4	4	4	4	4	4	4
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Jail	2	2	2	3	3	3	2	2	2	2
Youth services center	1	1	1	1	1	1	1	1	1	1
Public ways and facilities										
Road										
Pavement (miles)	315.50	315.80	316.10	316.20	316.23	316.23	316.16	316.16	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	4	2	6	6	6	6	6
Lighted Crosswalks	4	6	6	8	6	14	14	16	18	18
Radar Feedback signs	11	11	11	14	11	22	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	20	21	21	21	21	21
Storage capacity (thousands of gallons)	710	710	710	710	850	850	850	850	850	850
Lighting										
Street lights	2,193	2,194	2,194	2,197	2,197	2,197	2,199	2,202	2,203	2,203
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	7.7	7.7	0 ¹	0	0	0
Health and sanitation										
Warehouse	2	2	2	2	2	2	1	1	1	1
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	1	1	3	3	3	4	4	4
Public assistance										
Drug treatment center	1	1	1	1	1	1	1	1	1	1
Employment and training center	1	1	1	1	1	1	1	1	1	1
Animal Shelter	-	-	-	-	-	-	1	1	1	1
Homeless Shelter	1	1	2	2	2	2	2	5	5	5
Mental Health Center	-	-	-	-	-	1	1	1	1	1
Recreation										
Parks	19	19	20	20	20	20	23	24	24	24
<u>Business-type Activities:</u>										
Medical center	1	1	1	1	1	1	1	1	1	1
Airports	2	2	2	2	2	2	2	2	2	2
Coyote Point Marina Recreation Area	1	1	1	1	1	1	1	1	1	1

Sources:

County Capital Asset Master File
Department of Public Works

Notes:

¹ 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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