



# FINANCIAL HIGHLIGHTS

## COUNTY OF SAN MATEO, CALIFORNIA FISCAL YEAR ENDED JUNE 30, 2016



San Mateo County government protects and enhances the health, safety, welfare and natural resources of the community and provides quality services that benefit and enrich the lives of the people of the community.

We are committed to:

- ◆ The highest standards of public service
- ◆ A common vision of responsiveness
- ◆ The highest standards of ethical conduct
- ◆ Accessible services for those in need
- ◆ Treating people with respect and dignity

## Letter to the Citizens of San Mateo County

It is my pleasure to present to you the County's Financial Highlights report, also known as the Popular Annual Financial Report (PAFR), for fiscal year (FY) 2015-16.

My goal for this report is to provide financial information that is easy to understand and transparent to our residents, policy leaders, and County management. This report summarizes essential information contained in the County's Comprehensive Annual Financial Report (CAFR) for FY 2015-16, and includes 5-year trend charts and explanations of financial results.

In FY 2015-16, government-wide revenues totaled \$1.61 billion while expenses totaled \$1.36 billion. The County's net position (net worth) as of June 30, 2016 totaled \$1.8 billion, of which \$950 million is categorized as unrestricted and is available to fund services for citizens and debt obligations.

Significant planned investments in capital and IT projects will require hundreds of millions of dollars in one-time expenditures – as much as \$500 million or more, plus millions of additional annual funds to operate and maintain such infrastructure. The FY 2016-17 budget alone includes \$182 million in one-time funds for capital projects.

The County should also be prepared to address potential changes to the Affordable Care Act. Future federal legislation may reduce payments to the County for providing health care services and/or increase the number of uninsured residents served by the County.

Increases to capital investments, increases to unfunded liabilities, a slowing economy, and potential legislative changes all suggest the County should focus on monitoring spending and maintaining sound finances to withstand the impacts of the next economic downturn.

Please visit our website at <http://controller.smcgov.org> to view or download copies of the CAFR, Financial Highlights (PAFR), Property Tax Highlights and other publications. I welcome your comments and questions at (650) 363-4777 or [controller@smcgov.org](mailto:controller@smcgov.org).

Sincerely,



Juan Raigoza  
San Mateo County Controller



The financial information in this report is derived from the County's Comprehensive Annual Financial Report (CAFR) for FY 2015-16. The CAFR provides more detailed information and is prepared in conformity with generally accepted accounting principles, and is available at: <http://controller.smcgov.org/2016-cafr>

## County Profile

San Mateo County, one of the nine counties in the San Francisco Bay Area, was established in 1856. The County occupies 455 square miles and contains 20 cities on a peninsula bounded by 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.

Sandwiched between two large urban areas (San Francisco and San Jose), the County has a mix of suburban and rural areas. Most of the County's 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 is located in the middle of Silicon Valley home to many technology firms. It is also a home to numerous colleges and is close to three of the top research institutions: the University of California at Berkeley, the University of California at San Francisco, and Stanford University.

The County is governed by a five-member Board of Supervisors elected by San Mateo County voters. Supervisors are elected to staggered four-year terms for a maximum of three terms in the office.

The County plays 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. The County, a subdivision of the State, provides a vast array of services for all residents. These services include social services, public health protection, housing programs, property tax assessment, tax collection, elections, and public safety. The County also provides basic city-type services for residents who live in unincorporated areas.

### Board of Supervisors



Dave Pine  
District 1



Carole Groom  
District 2



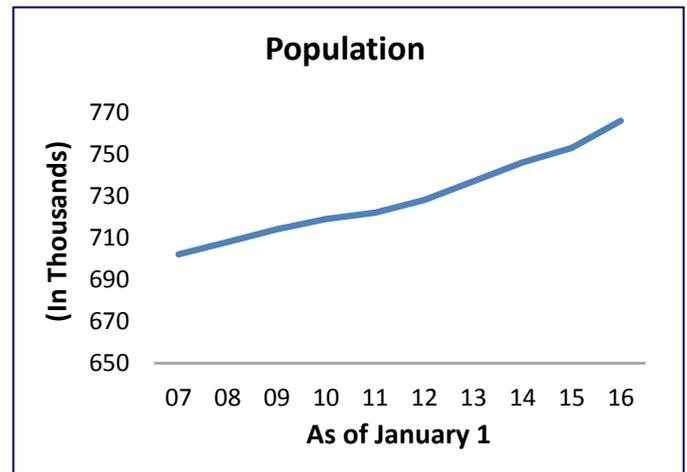
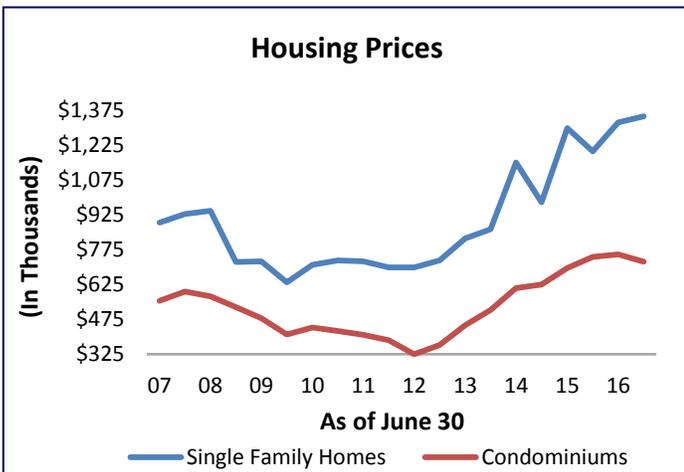
Don Horsley  
District 3



Warren Slocum  
District 4

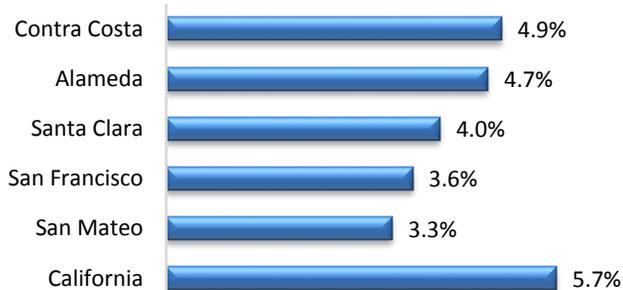


Adrienne Tissier  
District 5

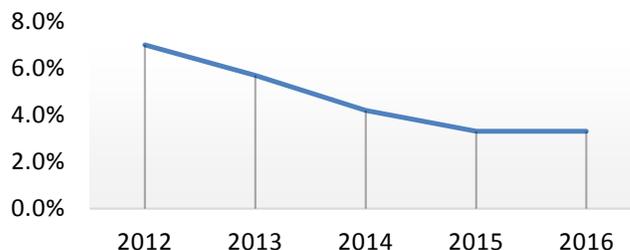


## Economic Information

### Unemployment Rate as of June 2016



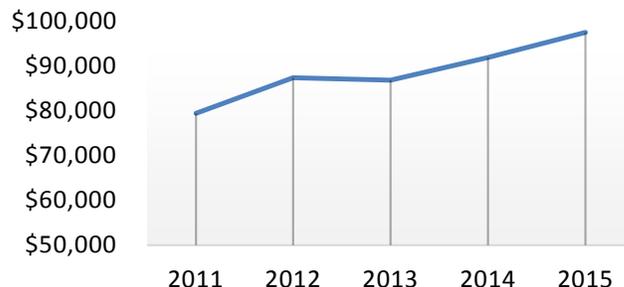
### County of San Mateo Unemployment Rate (for the month of June)



### Per Capita Personal Income 2015\*



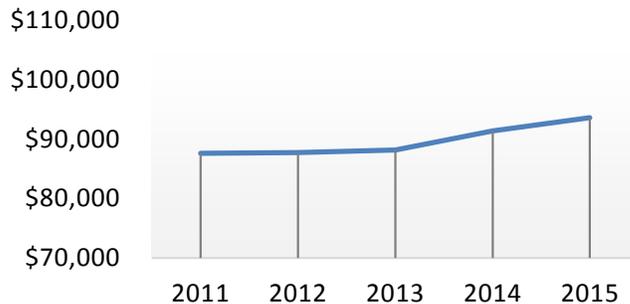
### County of San Mateo Per Capita Personal Income\*



### Median Household Income 2015\*



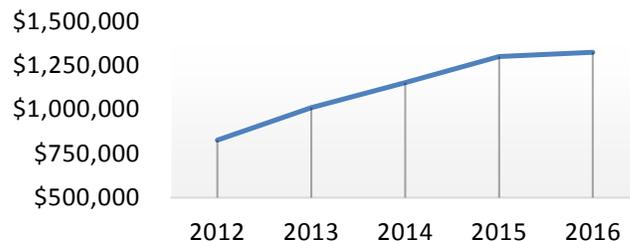
### County of San Mateo Median Household Income\*



### Median Home Price as of June 2016 (single-family homes)



### County of San Mateo Median Home Price as of June (single-family homes)



\* Latest available data.

## Government-Wide Financial Position

The **Statement of Net Position** presents information on the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position.

Over time, changes in net position (net worth) may serve as a useful indicator of whether the County's financial position is improving or deteriorating. For the FY 2015-16, the County's total net position increased by \$249 million to \$1.8 billion. The positive change in net position indicates that the financial position of the County is improving. Net position of \$1.8 billion is classified into three categories: \$584 million in net investment in capital assets, \$256 million in restricted, and \$950 million in unrestricted.

Statement of Net Position <i>(in millions)</i>			
	Fiscal Year		Inc./ (Dec.) Amount
	2015-16	2014-15	
Current and other assets	\$ 1,961	\$ 1,867	\$ 94
Capital assets	<u>1,049</u>	<u>981</u>	<u>68</u>
Total assets	<u>3,010</u>	<u>2,848</u>	<u>162</u>
Deferred outflows of resources	<u>242</u>	<u>210</u>	<u>32</u>
Long-term liabilities	614	620	(6)
Net pension liability	465	389	76
Other liabilities	<u>332</u>	<u>279</u>	<u>53</u>
Total liabilities	<u>1,411</u>	<u>1,288</u>	<u>123</u>
Deferred inflows of resources	<u>51</u>	<u>229</u>	<u>(178)</u>
Net position:			
Net investment in capital assets	584	516	68
Restricted	256	311	(55)
Unrestricted	<u>950</u>	<u>714</u>	<u>236</u>
Total net position	<u>\$ 1,790</u>	<u>\$ 1,541</u>	<u>\$ 249</u>

**Assets** are resources with service capacity the County controls.

**Liabilities** are obligations the County owes.

**Long-term liabilities** include estimated claims, net postemployment benefit obligation, compensated absences, and debts (such as lease revenue and revenue refunding bonds, notes payable, and other long-term obligations).

**Deferred outflows of resources** are the consumption of net assets applicable to future reporting periods.

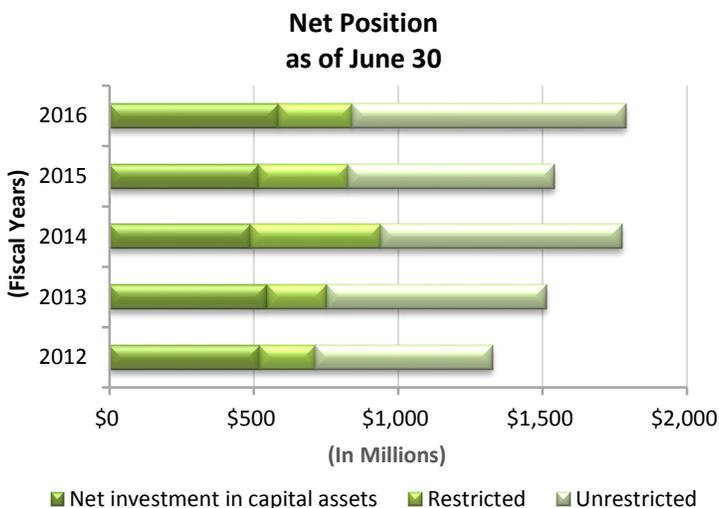
**Deferred inflows of resources** are the acquisition of net assets applicable to future reporting periods.

**Net position** reflects the County's net worth. (Net Position = Assets + Deferred Outflows of Resources - Liabilities - Deferred Inflows of Resources)

**Net investment in capital assets** represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending.

**Restricted net position** 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.

**Unrestricted net position** represents resources that are available to fund County programs for citizens and debt obligations to creditors.



## Government-Wide Financial Position

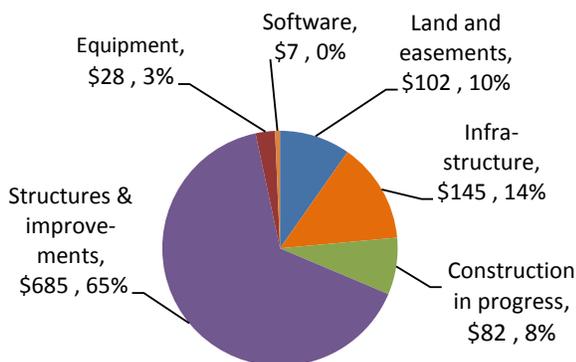
**Capital assets.** The County's capital assets include land and easements, infrastructure, construction in progress, structures and improvements, equipment, and software.

As of June 30, 2016, the County's total investment in capital assets increased by \$68 million, or 7%, to \$1,049 million.

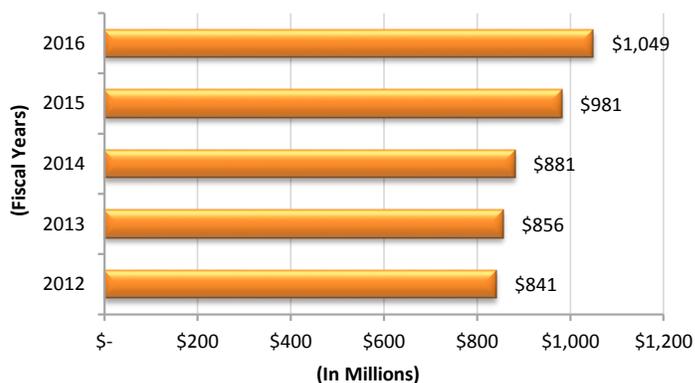
Major events related to capital assets during FY 2015-16 include the following:

- *Construction of new correctional center.* An increase of \$53.0 million in FY 2015-16.
- *Crystal Springs Dam Bridge.* An increase of \$3.4 million in FY 2015-16.
- *Roads Infrastructure.* An increase of \$3 million due to completion of various road projects.

**Capital Assets as of June 30, 2016**  
(in millions)



**Capital Assets as of June 30**

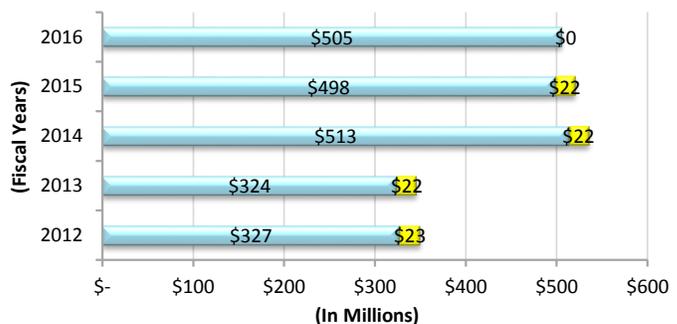


**Long-term debts.** The County's total long-term debts (a subset of total long-term liabilities) decreased \$15 million, or 3%, to \$511 million as of June 30, 2016. The County's bond credit rating is AAA/Aaa.

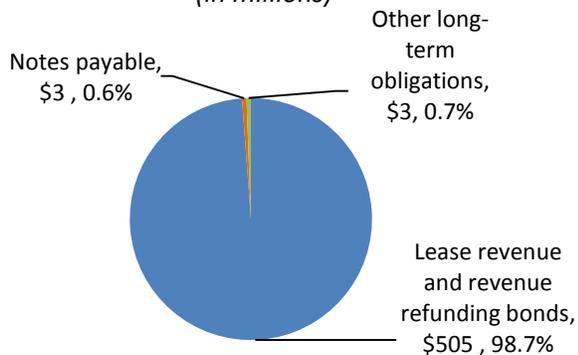
Major events related to long-term debts during FY 2015-16 include:

- *Issuance of the 2015 Revenue Refunding Bonds* of \$18.7 million, together with other available monies, to refund its Certificates of Participation.
- *Issuance of the 2016 Lease Revenue Bonds* of \$107.6 million, together with other available monies, to refund the 2008 Bonds.

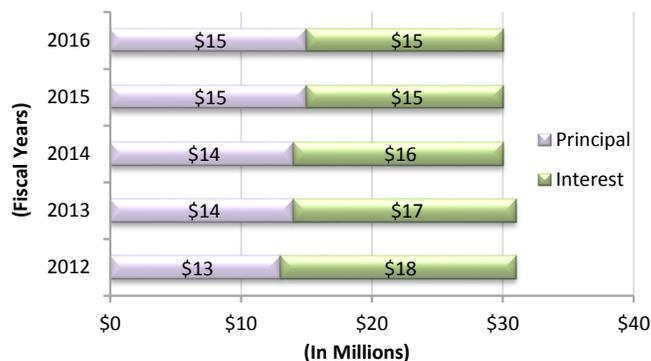
**Long-Term Debts as of June 30**



**Long-Term Debts as of June 30, 2016**  
(in millions)



**Debt Service Payments as of June 30**



## Government-Wide Financial Position

### Pension Plan

San Mateo County Employees' Retirement Association (SamCERA) and the County now use two actuarial valuation methods for its pension plan, one for financial reporting purposes in accordance with Government Accounting Standards Board Statement No. 68, and another for funding purposes to determine the County's annual contribution to the plan.

#### For Financial Reporting Purposes

**Net pension liability** is the difference between the total pension liability and plan assets at fair value (fiduciary net position).

##### Net Pension Liability as of June 30, 2016 (in millions)

Total pension liability (a)	\$ 3,741.6
Fiduciary net position (b)	3,275.3
County's proportionate share of the collective net pension liability (a) - (b)	\$ 466.3
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	87.5%

As of June 30, 2016 for financial reporting purposes, the County's net pension liability is \$466.3 million, and the plan's funded ratio is 87.5%. A year earlier, the County's net pension liability was \$389.3 million, and the plan's funded ratio was 88.8%.

#### For Funding Purposes

**Unfunded actuarial accrued liability (UAAL)** is the difference between actuarial accrued liability and the actuarial value of assets accumulated to finance an obligation.

(Dollars in millions)	Fiscal Year		
	2015-16	2014-15	2013-14
Unfunded Actuarial Accrued Liability (UAAL) <sup>1</sup>	\$ 737.6	\$ 702.2	\$ 803.8
Funded Ratio	83.1%	82.6%	78.8%

<sup>1</sup> Amount represents entire Plan.

As of June 30, 2016, for funding purposes as reported by SamCERA, the entire pension plan's UAAL totaled \$737.6 million. The County's proportionate share of the plan's UAAL is \$703 million (95.3% of \$737.6 million).

### Actuarial Methods and Assumptions

	Funding Purposes	Financial Reporting Purposes
Discount rate/assumed rate of return	7.00%	7.45%
Measurement date of assets	June 30, 2016	June 30, 2015
Recognition of investment income/(loss)	Gain/(loss) recognized over 5-year period, 20% per year	Projected gain +/- 20% of difference between projected and actual gain/(loss)
Funded ratio as of June 30, 2016	83.1%	87.5%

**Funded ratio** represents the percentage of the plan assets currently available to pay the actuarial accrued liabilities.

**Discount rate** is the investment rate of return used to measure the total pension liability.

### Schedule of County Contributions

In FY 2013-14, the County contributed an additional funding of \$50 million to SamCERA, and will pay an additional \$10 million in each of the following nine years to provide greater security for the plan, improve its funded ratio, and reduce the County's long-term pension costs.

In FY 2015-16, SamCERA reduced the pension plan's assumed rate of return from 7.25% to 7.00%, resulting in an additional contribution of \$9.5 million from the County.

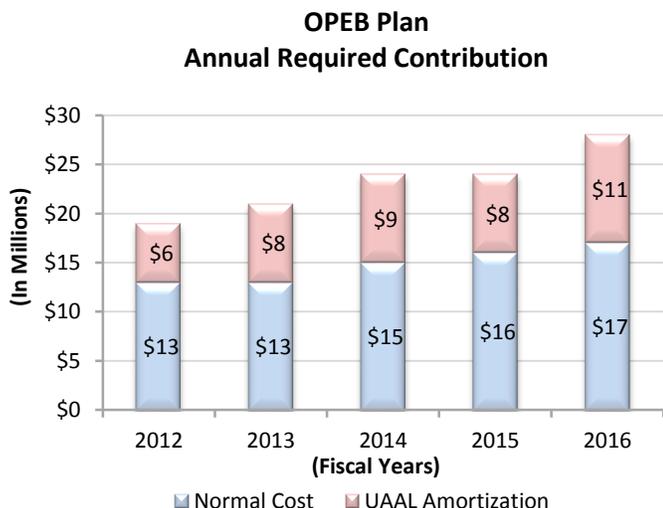
(Dollars in millions)	Fiscal Year	
	2015-16	2014-15
Contractually required contributions	\$ 161,652	\$ 161,971
Contributions in relation to the contractually required contribution	181,190	171,971
Contribution deficiency (excess)	\$ (19,538)	\$ (10,000)

## Government-Wide Financial Position

The County sponsors **Other Postemployment Benefits (OPEB)**, which provide healthcare benefits to eligible members who retire from the County and receive a pension from SamCERA.

OPEB Plan							
Schedule of Funding Progress <i>(in millions)</i>							
Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c	
6/30/2011	\$ 168	\$ 268	\$ 100	62.6%	\$ 465	21.5%	
6/30/2013	193	319	126	60.4%	453	28.0%	
6/30/2015	235	385	150	61.0%	465	32.3%	

\* The actuarial valuation is performed biennially. Starting with FY 2016-17 the actuarial analysis will be performed annually.



**Schedule of Funding Progress** provides a snapshot of the County's ability to meet current and future liabilities with plan assets. Of particular interest is the funded status ratio. This ratio is an important indicator to determine the financial health of the plan. The closer the plan is to a 100% funded status, the better position it will be in to meet its future liabilities.

**Normal cost** represents the estimated amount necessary to finance benefits earned by members during the fiscal year.

**UAAL Amortization** is the paying off of UAAL in regular installments over a period of 30 years.

**Annual required contribution (ARC)** is the amount required to pay the sum of the plan's normal cost and the cost to amortize the plan's UAAL.



## Government-Wide Results of Operation

The **Statement of Activities** presents information on the County's results of operations (or change in the County's net position).

**Revenues.** Property taxes increased in FY 2015-16 by \$17 million due to growth in real property assessed values and increases in construction, and sale of properties.

**Expenses.** Public protection, health and sanitation, and San Mateo Medical Center expenses increased in FY 2015-16 mainly due to increases in salaries and benefits from filled vacancies, negotiations of union agreements, and staffing of new correctional center



**“If your actions inspire others  
to dream more, learn more, do  
more and become more, you  
are a leader.”**

**John Quincy Adams**



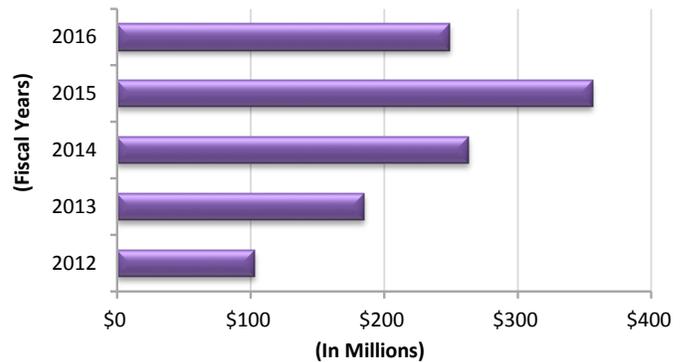
	Change in County's Net Position <i>(in millions)</i>		
	2015-16	Fiscal Year 2014-15	2013-14
<b>Revenues:</b>			
<b>Program Revenues</b>			
Charges for services	\$ 477	\$ 447	\$ 342
Operating grants and contributions	483	522	552
Capital grants and contributions	5	2	7
<b>Total program revenues</b>	<u>965</u>	<u>971</u>	<u>901</u>
<b>General Revenues</b>			
Taxes:			
Property taxes			
General property tax	335	311	297
Excess ERAF	106	118	111
Other	31	26	23
Subtotal - property taxes	<u>472</u>	<u>455</u>	<u>431</u>
Property transfer taxes	10	10	9
Sales and use taxes	98	103	95
Property tax in-lieu of sales taxes	5	7	6
Transient occupancy taxes	1	2	2
Aircraft taxes	1	1	1
Vehicle rental business license tax	12	12	12
Subtotal - taxes	<u>599</u>	<u>590</u>	<u>556</u>
Unrestricted interest and investment earnings	22	14	12
Miscellaneous	28	35	46
<b>Total general revenues</b>	<u>649</u>	<u>639</u>	<u>614</u>
<b>Total revenues</b>	<u>1,614</u>	<u>1,610</u>	<u>1,515</u>
<b>Expenses:</b>			
General government	112	120	109
Public protection	358	322	354
Public ways and facilities	20	16	19
Health and sanitation	275	244	247
Public assistance	222	212	222
Recreation	13	12	10
Interest on long-term liabilities	22	23	16
San Mateo Medical Center	265	233	244
Airports	3	3	3
Coyote Point Marina	1	1	1
Housing Authority	73	68	71
<b>Total expenses</b>	<u>1,364</u>	<u>1,254</u>	<u>1,296</u>
<b>Excess before special item</b>	250	356	219
Special item	(1)	-	45
<b>Change in net position</b>	249	356	264
Net position, beginning, as previously stated	1,541	1,775	1,511
Cumulative effect of accounting change	-	(590)	-
Net position, beginning, as restated	1,541	1,185	1,511
<b>Net position, end of the year</b>	<u>\$ 1,790</u>	<u>\$ 1,541</u>	<u>\$ 1,775</u>
<b>Breakdown of net position, end of the year</b>			
Net investments in capital assets	\$ 584	\$ 516	\$ 489
Restricted	256	311	450
Unrestricted	950	714	836
<b>Net position, end of the year</b>	<u>\$ 1,790</u>	<u>\$ 1,541</u>	<u>\$ 1,775</u>
Population in San Mateo County	766,041	759,155	758,581
Per capita general revenue (in absolute dollars)	\$ 847	\$ 842	\$ 809
Per capita revenue (in absolute dollars)	\$ 2,107	\$ 2,121	\$ 1,997
Per capita expense (in absolute dollars)	\$ (1,781)	\$ (1,652)	\$ (1,708)
Per capital net revenue (in absolute dollars)	\$ 326	\$ 469	\$ 289

## Government-Wide Results of Operation

The County's total net position (net worth) increased by \$249 million to \$1.8 billion as of June 30, 2016. The positive change in the County's net position indicates that the financial condition strengthens.

- \$228.3 million increase in net position derived from governmental activities was due to revenues exceeding expenditures.
- \$20.9 million increase in net position derived from business-type activities was primarily from the San Mateo Medical Center.

Change in Net Position  
as of June 30



**“The future depends on  
what we do in the present.”**

**Mahatma Gandhi**

**Revenues** are monies the County receives from a variety of sources. **Program revenues** are derived directly from County programs and can be broken down into the following categories:

- **Charges for services** paid by the recipients of goods and services offered by County's various programs.
- **Grants and contributions** that are restricted to meet the operational or capital requirements of County programs.

**General revenues** are revenues that are not classified as program revenues such as property taxes and all other taxes.

**Expenses** are monies spent on providing services to the County's residents.

**Governmental activities** are normally funded by taxes and inter-governmental revenues and cover various services including:

**General government** includes costs incurred by the County's administrative offices.

**Public protection** safeguards the public through law enforcement, custody of criminals, and re-socialization of offenders.

**Public ways and facilities** maintain County roads, bridges, and other infrastructure.

**Health and sanitation** build a healthy community and provide health care to vulnerable populations.

**Public assistance** helps individuals and families to achieve economic self-sufficiency, promote community and family strength, and ensure child safety and well-being.

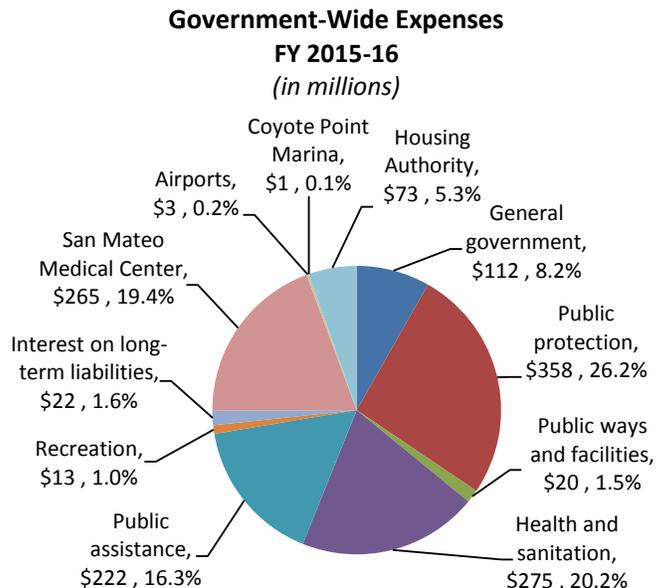
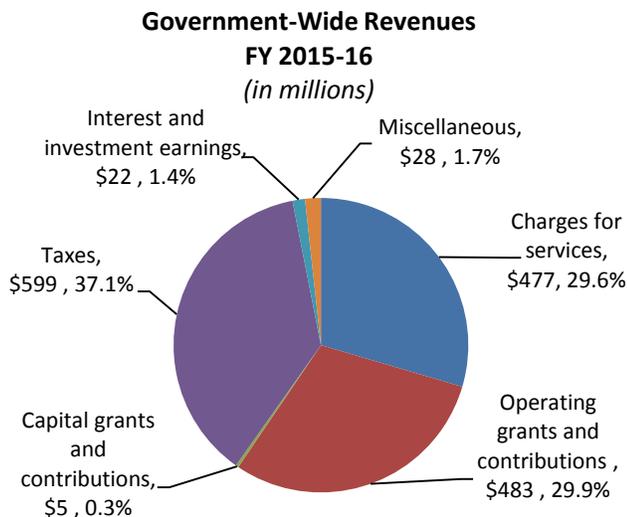
**Recreation** provides residents with access to parks and recreational facilities.

**Business-type activities** include those services provided by San Mateo Medical Center, Airports, Coyote Point Marina Recreation, and Housing Authority. These activities rely heavily on fees charged to recipients of the services.

# Government-Wide Results of Operation

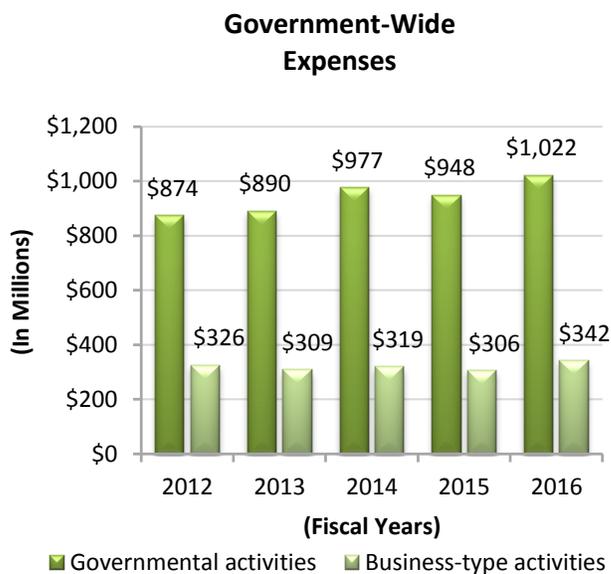
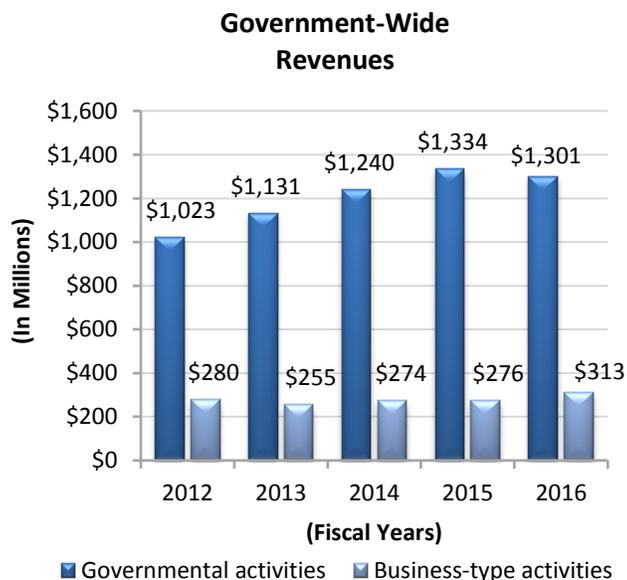
## Where did the County's money come from?

## Where did the County's money go?



**Governmental activities.** In each of the past five fiscal years, total revenues from the County's governmental activities were greater than related expenses. A portion (\$60 million) of the excess revenues from the General Fund (governmental activities) was used to subsidize mandated healthcare services provided by the San Mateo Medical Center (business-type activities).

**Business-type activities.** In each of the past five fiscal years, total revenues from the County's business-type activities (San Mateo Medical Center) were less than related expenses. The deficits, mainly resulting from mandated healthcare services to the uninsured and indigent population, were absorbed by General Fund (governmental activities) subsidies to the San Mateo Medical Center.



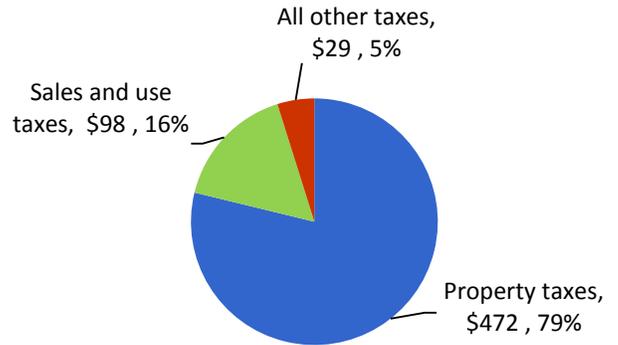
# Tax Revenues

**County's tax revenues** reached \$599 million for the fiscal year ended June 30, 2016, and increased by \$9 million over the prior year.

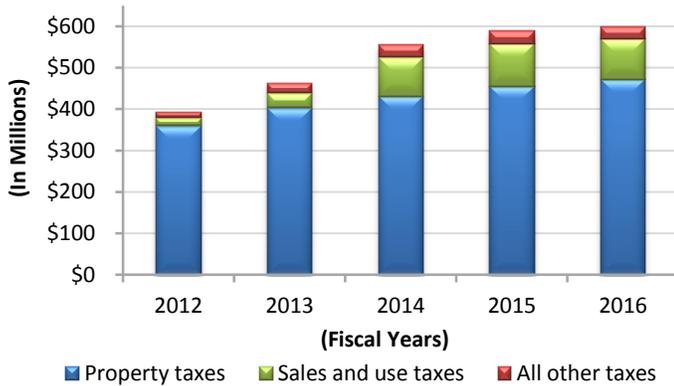
Major changes are from the following:

- \$14.6 million increase in secured property tax revenue due to growth in real property assessed values and decreased refunds.
- \$2.0 million decrease in property tax in-lieu of sales taxes due to mid-year restoration of 0.25% reduction to the Bradley Burns 1% local sales tax previously shifted to pay off State issued bonds. The restoration reduced the amount of the Excess Education Revenue Augmentation Fund (ERAF) reimbursed to the County.
- \$2.6 million decrease to sales taxes due to one-time transfers from the State Controller's Office in FY 2014-15 for Triple Flip shortfalls.
- \$1.6 million decrease to sales taxes primarily due to economic conditions, most notably reduced revenues from jet fuel sales at San Francisco International Airport as a result of low fuel prices.

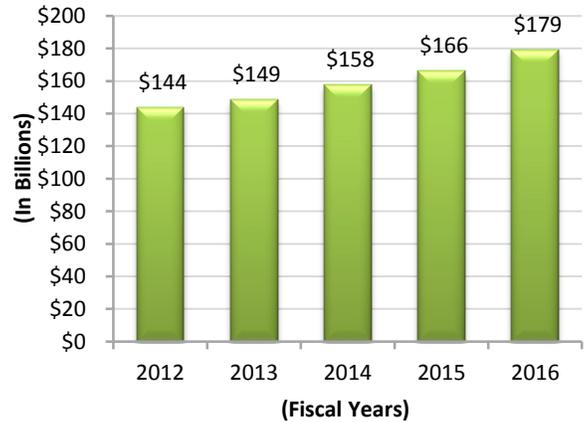
**County Tax Revenues  
FY 2015-16  
(in millions)**



**County Tax Revenues**



**Countywide Assessed Value of  
Taxable Property**



## Tax Revenues

**Property taxes** are levied each fiscal year on taxable real property (secured) and personal property (unsecured) in the County.

### Countywide Assessed Value of Taxable Property as of January 1

(in millions)

Fiscal Year	Real Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	% of Change Total Taxable Assessed Value
2011-12	\$ 142,562	\$ 6,194	\$ (4,849)	\$ 143,907	1%
2012-13	146,968	6,382	(4,624)	148,726	3%
2013-14	156,222	6,389	(5,037)	157,574	6%
2014-15	165,062	6,574	(5,236)	166,400	6%
2015-16	177,738	6,973	(5,502)	179,209	8%

### County's Top Ten Taxpayers in FY 2015-16

(in millions)

	Property Taxes Levied*	Percentage of Total Taxes Levied*
Pacific Gas & Electric	\$ 20.3	1.02%
Genentech	18.8	0.94%
United Airlines	17.0	0.85%
Gilead Sciences Incorporation	12.3	0.62%
Google, Inc.	9.2	0.46%
Oracle Corporation	7.3	0.37%
Slough BTC LLC	6.3	0.31%
Slough SSF LLC DE	5.3	0.27%
Wells Investment Trust II	3.7	0.18%
Virgin America	3.4	0.17%
<b>Total</b>	<b>\$ 103.6</b>	<b>5.19%</b>

\* Based on secured, unsecured, unitary, and railroad properties.

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

The FY 2015-16 local combined property assessment roll value (\$179 billion as of January 1, 2015) for the County increased 8%, or \$12.8 billion, compared to last year. This increase in value translated to an increase in property tax revenues of about \$128 million countywide, shared by all local agencies (schools, cities, special districts and the County).

The County's local property assessment roll values for the upcoming year (FY 2016-17) increased by 7.6%, or \$13.5 billion, to \$192 billion compared to last year's property assessment roll. This will increase the countywide property tax revenue base to \$1.92 billion.

The FY 2016-17 property assessment roll values are at a historic high. This reflects the County's growing economy.

***"The residential real estate market is losing steam around the Bay Area."***

***-Mercury News, November 2016***



## General Fund Working Budget

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.

**Other financing uses** are transfers of financial resources from one fund to another.

**Intrafund transfers** are used by the County to show reimbursements between operations within the same fund.

**Contingencies** are used by the County to address one-time emergencies and economic uncertainties.

General Fund Expenditures Budget vs. Actual By Class (in millions) FY 2015-16		
Class	Budget	Actual (Budgetary Basis)
Salaries and benefits	\$ 734.2	\$ 655.6
Services and supplies	479.1	351.9
Other charges	309.8	236.8
Fixed assets	26.2	7.5
Other financing uses	171.7	124.5
Intrafund transfers	(212.9)	(183.3)
Contingencies	204.7	-
Total	<u>\$ 1,712.8</u>	<u>\$ 1,193.0</u>

General Fund Expenditures Budget vs. Actual By Department/Budget Unit (in millions) FY 2015-16			
General Fund Department/Budget Unit	Budget**		Actual (Budgetary Basis)
	Amount	%	
Health System*	\$ 399.7	23.3%	\$ 359.7
Human Services Agency	233.6	13.6%	182.0
Sheriff's Office	223.7	13.1%	195.3
Probation	91.9	5.4%	83.0
County Managers Office/Clerk of the Board	89.9	5.2%	72.6
Information Services Department	34.3	2.0%	14.9
District Attorney	34.0	2.0%	29.1
Public Works	30.7	1.8%	15.9
Assessor-Clerk-Recorder	26.3	1.5%	20.6
Office of Sustainability	19.9	1.2%	4.5
Parks Department	18.7	1.1%	13.5
Housing	18.2	1.1%	8.5
Human Resources	14.9	0.9%	13.5
Controller	14.0	0.8%	12.1
Tax Collector/Treasurer/Revenue Services	12.5	0.7%	8.2
Planning and Building	12.4	0.7%	8.9
County Counsel	12.1	0.7%	9.2
Child Support Services	11.5	0.7%	10.9
Agriculture Weights and Measures	5.7	0.3%	5.0
Board of Supervisors	4.9	0.3%	4.0
Coroner	3.3	0.2%	2.7
Local Agency Formation Commission	0.4	0.0%	0.3
Non-Departmental Services	355.7	20.8%	118.6
Contingencies (Non-departmental)	44.5	2.6%	-
Total	<u>\$ 1,712.8</u>	<u>100.0%</u>	<u>\$ 1,193.0</u>

- \$204.7 million in unspent budget appropriations for contingencies resulted from effective long-term financial planning and not having the need to use these emergency/reserve funds.
- \$47.2 million in unspent budget appropriation in other financing uses due primarily to major capital projects funded by Non-Departmental Services either not yet started or completed.



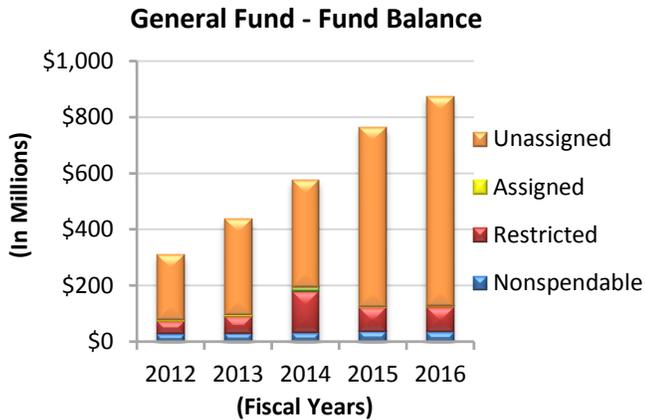
\* General Fund excludes San Mateo Medical Center, business-type activities.

\*\* Budget amounts include departmental and non-departmental contingencies used for emergencies and/or economic uncertainties.

## General Fund Financial Position

The **General Fund** is the County's primary operating fund. The activities funded by the General Fund include general government, public protection, health and sanitation, public assistance, and recreation services.

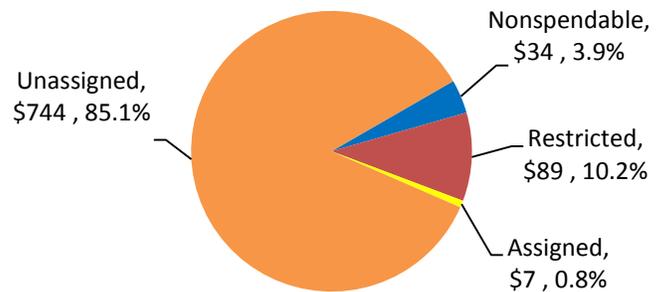
Fund balance amounts provide information about the County's net resources available for spending, and its financing requirements.



As a measure of the General Fund's liquidity, total unrestricted fund balance as well as total fund balance can be compared to the General Fund's total functional expenditures.

- Total of \$751 million in unrestricted (assigned and unassigned) fund balance of the General Fund approximates 76% of the total functional expenditures of \$984 million.
- Total fund balance of \$874 million of the General Fund approximates 89% of the total functional expenditures of \$984 million.

**General Fund - Fund Balance as of June 30, 2016**  
(in millions)



At June 30, 2016 the General Fund had a total fund balance of \$874 million, made up the following:

- \$34 million is **nonspendable**, which includes items that are not expected to be converted to cash such as inventories and prepaid items.
- \$89 million is **restricted**, which can be spent only for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation.
- \$7 million is **assigned** to be used by the County for specific purposes.
- \$744 million is **unassigned** and can be used for any purpose.



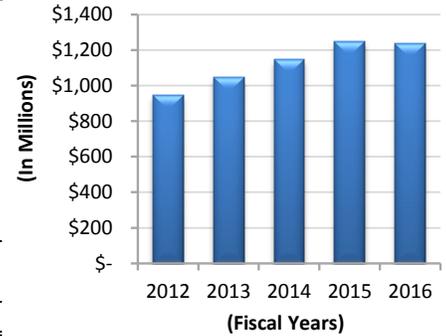
# General Fund Result of Operations

General Fund financial statements include only the General Fund and use the modified accrual basis of accounting, unlike Government-wide financial statements, which include all activities/funds and use the accrual basis of accounting.

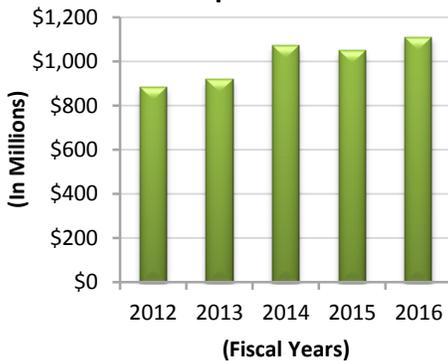
## General Fund Revenues (in millions)

Source	FY 2015-16		FY 2014-15		Inc./ (Dec.) Amount
	Amount	% of Total	Amount	% of Total	
Taxes	\$ 581	46.9%	\$ 567	45.4%	\$ 14
Licenses and permits	7	0.6%	7	0.6%	-
Intergovernmental	460	37.2%	474	38.0%	(14)
Charges for services	137	11.0%	155	12.3%	(18)
Fines, forfeitures, and penalties	10	0.8%	9	0.7%	1
Rents and concessions	2	0.2%	1	0.1%	1
Investment income	15	1.2%	9	0.7%	6
Other	24	1.9%	26	2.1%	(2)
<b>Total major revenue sources</b>	<b>1,236</b>		<b>1,248</b>		<b>(12)</b>
Other financing sources	2	0.2%	1	0.1%	1
<b>Total revenues</b>	<b>\$ 1,238</b>	<b>100.0%</b>	<b>\$ 1,249</b>	<b>100.0%</b>	<b>\$ (11)</b>

## General Fund Revenues



## General Fund Expenditures

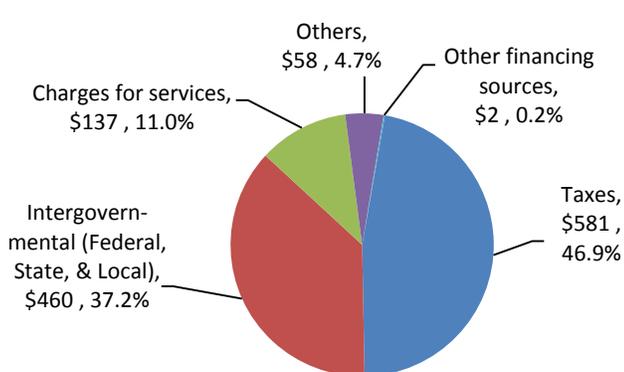


## General Fund Expenditures (in millions)

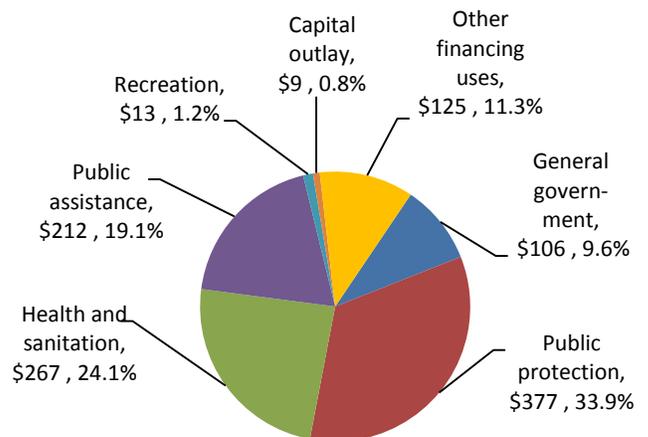
Function	FY 2015-16		FY 2014-15		Inc./ (Dec.) Amount
	Amount	% of Total	Amount	% of Total	
General government	\$ 106	9.6%	\$ 116	11.0%	\$ (10)
Public protection	377	33.9%	349	33.3%	28
Health and sanitation	267	24.1%	241	23.0%	26
Public assistance	212	19.1%	209	19.9%	3
Recreation	13	1.2%	12	1.1%	1
Capital outlay	9	0.8%	17	1.6%	(8)
<b>Total functional expenditures</b>	<b>984</b>		<b>944</b>		<b>40</b>
Other financing uses	125	11.3%	106	10.1%	19
<b>Total expenditures**</b>	<b>\$ 1,109</b>	<b>100.0%</b>	<b>\$ 1,050</b>	<b>100.0%</b>	<b>\$ 59</b>

\*\* Differences between total general fund expenditures and total actual (budgetary basis) expenditures are due mainly to interfund transfers.

## General Fund Revenues FY 2015-16 (in millions)



## General Fund Expenditures FY 2015-16 (in millions)



## Award for Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for “Outstanding Achievement in Popular Annual Financial Reporting” to San Mateo County for its Financial Highlights publication for the fiscal year ended June 30, 2015. This Award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for “Outstanding Achievement in Popular Annual Financial Reporting” is valid for a period of one year. San Mateo County has received this award for the last fourteen consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

**Juan Raigoza**

**San Mateo County Controller**



Government Finance Officers Association

### Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of San Mateo  
California**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director/CEO

