

**COUNTY OF SAN MATEO, CALIFORNIA**  
**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2022**



**Juan Raigoza, Controller**

# County of San Mateo, California

Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022



**Juan Raigoza**  
**Controller**

**COUNTY OF SAN MATEO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2022**

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## **INTRODUCTORY SECTION**

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

**Juan Raigoza**  
Controller

**Kristie Silva**  
Assistant Controller

**Kim-Anh Le**  
Deputy Controller

**Patrick Enriquez**  
Deputy Controller

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

December 29, 2022

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

California Government Code Sections 25250 and 25253 require that every county publish a complete set of audited financial statements within six months of the close of each fiscal year. The Annual Comprehensive Financial Report (ACFR) of the County of San Mateo (County) for the fiscal year ended June 30, 2022 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, 2022. 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 4-21 of this report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

### **Profile of the Government**

The County, one of the nine counties in the San Francisco Bay Area, was established by State law in 1856. It occupies 455 square miles and contains 20 cities on a peninsula bounded by the City and County of San Francisco to the north, Santa Clara and Santa Cruz Counties to the south, San Francisco Bay to the east, and the Pacific Ocean to the west. Though sandwiched between two large urban areas, the County is a pleasant mix of suburban and rural areas. Most of its 744,662 residents live in the suburban corridor east of the Santa Cruz Mountains, which bisect the County. The western part of the County remains primarily rural and has some of California's most beautiful coastline.

The County performs a dual role that differs from cities. Cities generally provide services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. Similarly, the County provides these city-type services for residents who do not live within a city's limits but live in an unincorporated area of the County. Additionally, the County provides a vast array of other services for 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 non-elected directors of County departments. The County Chief Probation Officer is appointed by the Judicial Council of California. Six elected officials are responsible for the Offices of the Assessor - County Clerk - Recorder - Chief Elections Officer, Controller, Coroner, District Attorney, Sheriff, and Treasurer-Tax Collector.

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

## **Key Financial Policies**

### **Investments**

The County investment pool was established to meet 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 5, 2021. 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 applicable 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 to be used only for one-time purposes as described in the County Reserves Policy.

The 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 Officer'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.

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## Economic and Financial Outlook

Global economic growth, measured by Gross Domestic Product (GDP), is projected per the International Monetary Fund (IMF) to increase 3.2% for 2022. The 2021 growth rate was 6% while the 2023 rate is forecasted to be 2.7%. The United States' GDP is forecasted to increase by 1.6% in 2022, down from a growth of 5.7% in 2021. A U.S. growth rate of 1.0% is projected for 2023 according to the IMF. The rate of GDP growth both globally and in the U.S. has gone down, indicating slower economic growth.

Prices of goods and services have recently increased throughout the world. The San Francisco Bay Area Consumer Price Index (CPI) grew 6.8% for the year-ended June 2022. Increased inflation reduces the purchasing power of local businesses, governments, and individual consumers.

Unemployment rates increased significantly in early 2020 due to COVID-19 pandemic but have since decreased back to pre-pandemic levels. During October 2022, the County's unemployment rate dropped to 2% (the lowest rate among California's 58 counties), lower than the 3.6% rate for October 2021, and lower than both the State's rate of 4% and U.S. rate of 3.7% for October 2022.

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 4.16% to \$266 billion in fiscal year (FY) 2021-22. Property values experienced their twelfth consecutive year of record growth in FY 2022-23, when the total value (as of the lien date of January 1, 2022) of assessed properties within the County increased by 8.34% to \$288 billion. This increased the County-wide multi-jurisdictional property tax revenue base to \$2.88 billion for FY 2022-23, which ends on June 30, 2023. These tax revenues are distributed to local taxing agencies (schools, cities, special districts, and County) that provide services to San Mateo County residents. Total property values for FY 2023-24, with a lien date of January 1, 2023, are expected to grow but not by as much as in recent prior years.

The median sales price paid for a Bay Area single-family home in October 2022 was \$1,250,000, a drop of 2% from \$1,275,000 in October 2021. Within the County, the median single-family home price in October 2022 was \$1,810,500, a drop of 5.4% from \$1,915,000 in October 2021. The County's median condominium home price increased 3% to \$921,750 in October 2022 from \$895,000 in October 2021.

Home prices reflect the general demand for homes, and peoples' desire to live, within the County. In recent months the growth in home prices appears to have slowed or decreased slightly. The doubling of 30-year mortgage interest rates to over 6.5% during calendar year 2022 appears to be reducing the demand to purchase homes.

The local office commercial real estate market appears to be improving slowly. The average asking rate to lease office space in the County increased 2.9%, from \$5.96 per square foot for the quarter ended September 2021 to \$6.13 for quarter ended September 2022. Meanwhile, the County's vacancy rate for office space properties decreased to 8.6% for quarter ended September 2022, a drop from 10.8% for quarter ended September 2021.

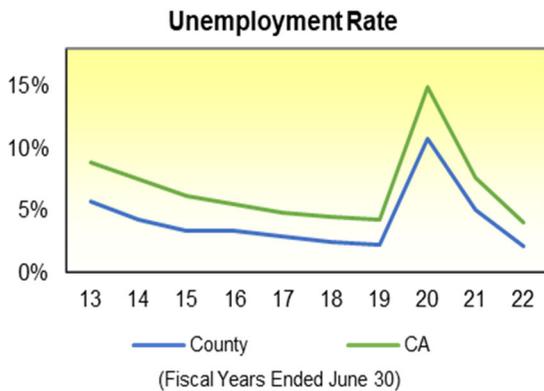
Local office and other commercial properties' vacancy rates and leasing rates are indicators of the overall demand for commercial space and of the general economy within the County.

Additional statistical information and multi-year trend charts are shown on the next page titled Factors Affecting Economy.

**Factors Affecting Economy**

**Employment**

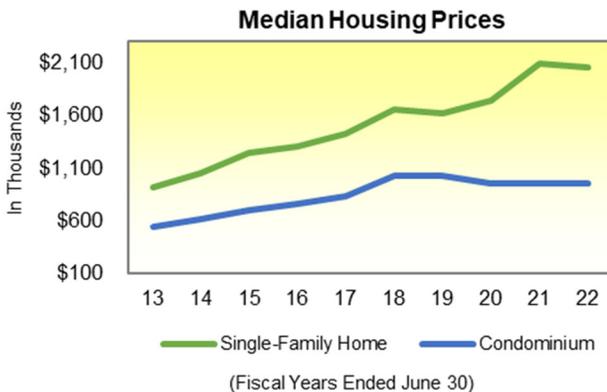
- County had 9,200 unemployed residents as of June 2022, down from 22,800 in June 2021.
- County’s unemployment rate was 2.1% for June 2022, down from 5.3% in June 2021. California’s rate was 4% as of June 2022.
- Among California’s 58 counties, as of June 2022, the County recorded the lowest unemployment rates.



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

**Residential Property**

- County’s median single-family house price dropped by 2.1% to \$2,050,000 in June 2022 from \$2,094,000 in June 2021.
- County’s median condominium price dropped by 1.9% to \$940,000 in June 2022 from \$958,000 in June 2021.



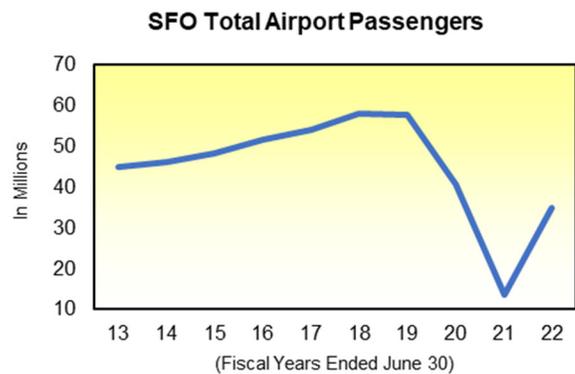
Source: San Mateo County Association of Realtors, based on statistics of Multiple Listing Services, Inc.

**Commercial Property**

- County’s office vacancy rate for quarter ended June 2022 was at 9.2%, lower than 11.5% for June 2021 and higher than 8.5% for June 2020. It decreased to 8.6% for quarter ended September 2022.
- Average asking rate to lease office space in the County increased slightly to \$5.97 per square foot per month for quarter ended June 2022 from \$5.91 for June 2021, and same as \$5.97 for June 2020. It increased to \$6.13 by September 2022.

**Tourism**

- San Francisco Airport’s total passenger volume increased 155% to 34.9 million for year ended June 2022, up from 13.7 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 23.7% to \$21.96 billion for year ended June 2022, up from \$17.7 billion for year ended June 2021, and \$18.8 billion for year ended June 2020.

**Median Family Income & Per Capita Income**

- County’s estimated median family income was \$157,287 for 2021 (latest data), a 1% decrease from \$158,898 for 2019. (Data for 2020 is not available.)
- County’s per capita personal income increased to \$160,485 in 2021 (latest data), a 13.1% increase from \$142,264 in 2020.

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## Long-Term Financial Planning

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

As of June 30, 2022, the County's net pension liability was \$99.6 million down from prior year's \$831.0 million, per actuarial computations based on Government Accounting Standards Board Statement No. 68. Using a discount rate of 6.42%, the plan's funded ratio was 98.2% as of June 30, 2022, up from prior year's 84.5%. The increased funded ratio in the current financial reporting year is mainly due to increases in the amount of investment income (due to a net appreciation in the fair value of investments) compared to the prior year. Next year's funded ratio is expected to decrease due to decreases in the fair value of investments. Contributions from the County to the pension plan totaled \$237.7 million in FY 2021-22.

The County administers an "other postemployment benefits" (OPEB) Retiree Health Plan to members who retire from the County and are eligible to receive a pension from SamCERA. 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, 2022, the County contributed \$26.4 million to the Retiree Health Plan. Using a discount rate of 5.75%, the plan's funded ratio was 103.8% as of June 30, 2022, up from prior year's 85.5%. The County's total net OPEB asset was \$14.8 million as of June 30, 2022. Last year's net OPEB liability was \$58.4 million. The current year's decrease in net OPEB liability for financial reporting purposes is mainly due to increases in the amount of investment income compared to the prior year. Next year's funded ratio is expected to decrease due to decreases in the fair value of investments.

### Infrastructure

The County is investing significantly in County buildings and other infrastructure. During FY 2021-22, the County's capital assets (land, buildings, equipment, etc.) net of depreciation increased by \$147.4 million, mostly from construction in progress projects. The increase was primarily due to \$12.8 million for Navigation Center, \$29.4 million for Health System Center Campus Upgrade, \$30.8 million for Cordilleras Mental Health Facility, and \$68.5 million for County Office Building 3.

The Adopted Budget for FY 2022-23 includes a total of \$365.9 million for capital projects funded by bonds, General Fund, Measure K, and other funding sources. Major capital projects that are under construction in FY 2022-23 include County Office Building 3, Health System Center Campus Upgrade, Cordilleras Mental Health Facility, Navigation Center, and Flood Park.

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

The County recognizes that property and other tax revenues available to the General Fund may be reduced in the event of widespread damage to property in the County due to sea-level rise and other climate change-related impacts. To further monitor and mitigate this risk, the powers of the San Mateo County Flood Control District, which was initially formed to control floodwater and storm water, have been expanded.

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

## Meeting the Future

Many of the County's current economic indicators are showing signs of strength compared to two years ago after the COVID-19 pandemic started in early 2020. However, higher interest rates (30-year mortgage rates doubled to over 6.5% during 2022), increased inflation (Bay Area Consumer Price Index (CPI) grew 6.8% for year-ended June 2022), and recently announced job losses by some local companies may dampen the local economy in the near-term. Nonetheless, the County's diversified local economy, skilled workforce, and desirable location for both residents and businesses should enable it to do well as the economy recovers.

The County's unemployment rate of 2.0% as of October 2022 was the lowest among California's 58 counties. The rate had been 2.1% in February 2020 (pre-pandemic) and peaked at 11.4% in April of 2020. Although the number of County residents who are employed has gone up, some local businesses are still finding it difficult to recruit and hire employees.

Among other factors, the County's high housing costs make it difficult for lower-wage workers to live in the County. The County's median single-family house price decreased by 5.4%, from the prior year, to \$1,810,500 as of October 2022. With respect to the local commercial real estate market, the average leasing asking rates for office space were similar to the last two years, while vacancy rates have gone down. This slowdown is likely to reduce the growth rate of next year's total annual countywide property assessed values and local property tax revenues as compared to prior years.

Total passenger volume at the San Francisco International Airport increased by 155% to 34.9 million passengers for the year ended June 30, 2022. Since the airport is a significant economic engine within the County, this partial but substantial recovery in volume is having a positive impact on the local economy. Passenger volume in FY 2018-19 (pre-pandemic) totaled 57.4 million. Overall countywide taxable sales increased by 23.7% in FY 2021-22, after decreasing during the two prior years.

The County has several major on-going capital projects to replace aging infrastructure that will cost hundreds of millions in construction, operational, and maintenance costs. The FY 2022-23 budget includes \$365.9 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 Annual Comprehensive Financial Report (ACFR) for the prior fiscal year ended June 30, 2021. This was the twenty-second 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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, 2021. 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**

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

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

I would also like to thank the Board of Supervisors, the County 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**

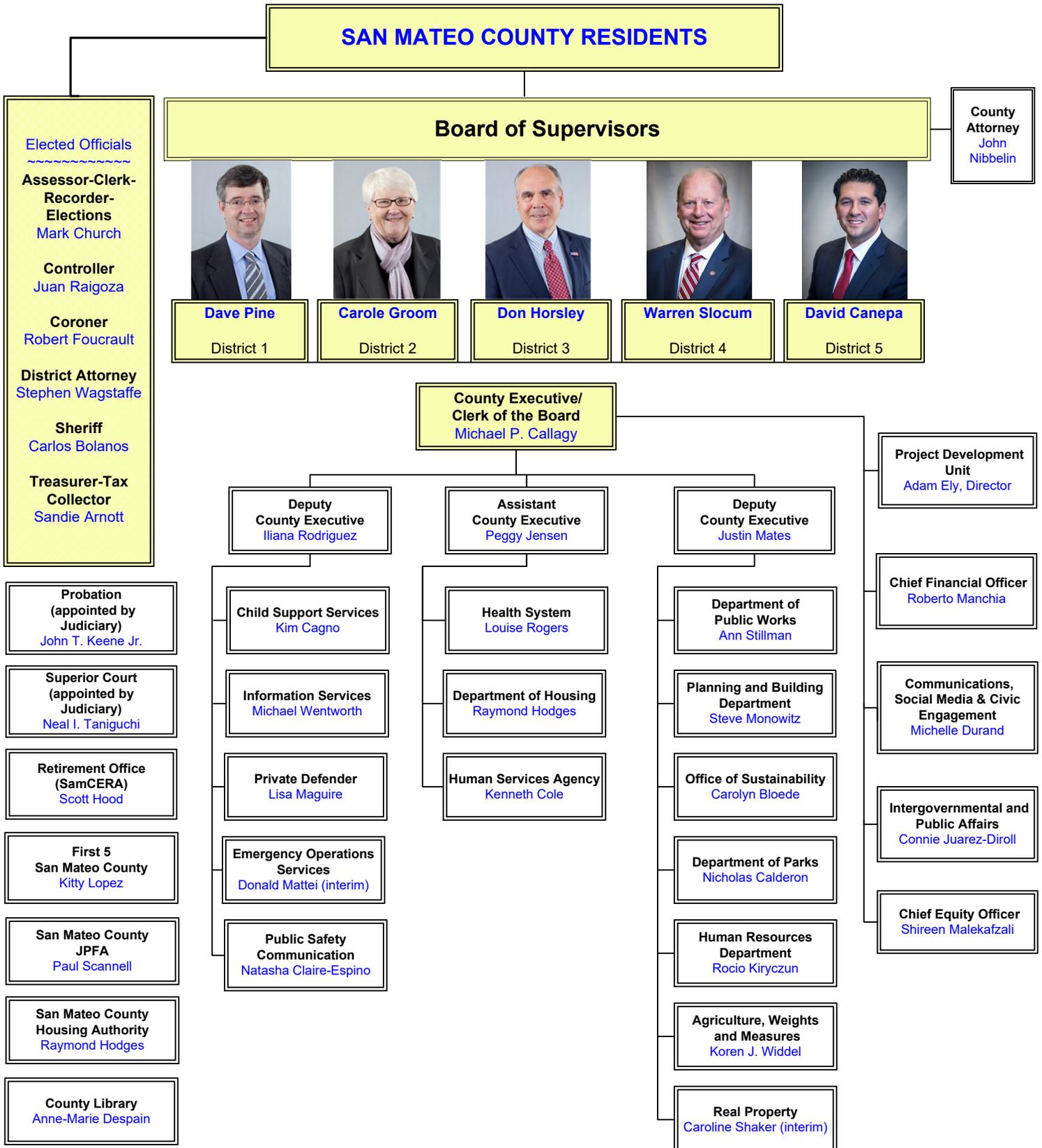
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**COUNTY OF SAN MATEO**  
**Organization Chart**  
 June 30, 2022



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

**ELECTED OFFICIALS**

Board of Supervisors:	
Supervisor – District 1	Dave Pine
Supervisor – District 2	Carole Groom
Supervisor – District 3	Don Horsley
Supervisor – District 4	Warren Slocum
Supervisor – District 5	David Canepa
Assessor-Clerk-Recorder-Elections	Mark Church
Controller	Juan Raigoza
Coroner	Robert Foucrault
District Attorney	Stephen Wagstaffe
Sheriff	Carlos Bolanos
Treasurer-Tax Collector	Sandie Arnott

**APPOINTED OFFICIALS**

County Executive/Clerk of the Board – <i>(appointed by Board of Supervisors)</i>	Michael P. Callagy
Assistant County Executive – <i>(appointed by County Executive)</i>	Peggy Jensen
Deputy County Executive – <i>(appointed by County Executive)</i>	Iliana Rodriguez
Deputy County Executive – <i>(appointed by County Executive)</i>	Justin Mates
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	Kenneth Cole
Information Services	Michael Wentworth
Planning and Building	Steve Monowitz
Office of Sustainability	Carolyn Bloede
Public Safety Communication	Natasha Claire-Espino
Office of Emergency Services	Donald Mattei (Interim)
Project Development Unit	Adam Ely
Real Property	Caroline Shaker (Interim)

**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 year ended June 30, 2022, 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 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Authority of the County of San Mateo (Housing Authority), the San Mateo County Employees’ Retirement Association (SamCERA), the First 5 San Mateo County (First 5), and the Health Plan of San Mateo (HPSM), which represent the following percentages of the assets and deferred outflows of resources, net positions/fund balances, and revenues/additions of the following opinion units as of and for the year ended June 30, 2022.

Opinion Unit	Assets and Deferred Outflows of Resources	Net Position / Fund Balances	Revenues / Additions
Business-type activities	15%	37%	24%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	54%	56%	0%
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. 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, 2021, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. 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 December 29, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Walnut Creek, California  
December 29, 2022



**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, 2022

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, 2022. 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 2021-22 by \$3.5 billion (*net position*):

- \$971.9 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.
- \$423.9 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*).
- \$2,072.4 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$501.3 million to \$3.5 billion over the year. The positive change in County's net position indicates that the financial position of the County is improving.

- \$467.5 million increase in net position was derived from governmental activities with \$50.0 million increase predominantly from property taxes, capital grants and contributions, and charges for services, and \$233.1 million decrease from expenses for general government and public protection.
- \$33.7 million increase in net position was derived from business-type activities with \$29.0 million increase from the Medical Center, and \$4.9 million increase from the Housing Authority.

**Fund financial position**

The County's governmental funds reported combined fund balances of \$2.3 billion at the close of fiscal year, an increase of \$206.7 million compared to the prior year restated fund balance. About \$1.7 billion (sum of assigned and unassigned fund balances) of this amount, or 73.8%, is available for spending at the County's discretion.

**Capital assets and debt administration**

The County's *capital assets* increased \$147.4 million to \$1,443.5 million with \$1,356.7 million for the governmental activities and \$86.8 million for the business-type activities. The increase was mainly from \$95.8 million increase in construction in progress, \$44.2 million increase in structure and improvements from Parking Structure 2, \$6.0 million increase in land and easement from Maple Street exchange, and \$2.3 million increase in infrastructure from the Burlingame Hills Sewer Maintenance District Hillside/Adeline Area Sanitary Sewer Collection System Rehab Project.

The County's total outstanding *long-term debt*, (including lease revenue bonds, leases payable, notes payable, and other long-term obligations) increased \$65.7 million to \$782.1 million. The increase was due to \$97.3 million increase in lease payable from implementation of GASB statement No. 87, offset by the decrease of \$31.6 million from normal debt payments made on lease revenue bonds (\$27.5 million in principal payment, \$3.5 million in bond premiums amortized, and \$0.6 million in accreted interest).

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2022

**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 22-24 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, 2022

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 25-28 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 29-32 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 33-34 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 35-99 of this report.*

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2022

**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 100-119 of this report.*

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

*Combining and individual fund statements and schedules can be found on pages 120-163 of this report.*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

<b>County's Net Position (In Thousands)</b>								
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2022	2021 *	2022	2021 *	2022	2021 *	Amount	Percentage
Current and other assets	\$ 3,194,880	\$ 2,939,937	\$ 396,401	\$ 347,582	\$ 3,591,281	\$ 3,287,519	\$ 303,762	9%
Leased assets	61,519	-	33,726	-	95,245	-	95,245	n/a
Capital assets	1,356,701	1,211,501	86,807	84,599	1,443,508	1,296,100	147,408	11%
Total assets	<u>4,613,100</u>	<u>4,151,438</u>	<u>516,934</u>	<u>432,181</u>	<u>5,130,034</u>	<u>4,583,619</u>	<u>546,415</u>	12%
Deferred outflows of resources	494,301	642,541	89,195	112,540	583,496	755,081	(171,585)	-23%
Long-term liabilities	811,778	845,489	213,694	20,901	1,025,472	866,390	159,082	18%
Lease liabilities	62,573	-	34,693	-	97,266	-	97,266	100%
Net pension liability	53,963	676,723	45,646	154,314	99,609	831,037	(731,428)	-88%
Net OPEB liability	-	47,475	547	10,943	547	58,418	(57,871)	-99%
Other liabilities	429,388	354,642	19,801	198,914	449,189	553,556	(104,367)	-19%
Total liabilities	<u>1,357,702</u>	<u>1,924,329</u>	<u>314,381</u>	<u>385,072</u>	<u>1,672,083</u>	<u>2,309,401</u>	<u>(637,319)</u>	-28%
Deferred inflows of resources	463,890	51,372	109,377	11,009	573,267	62,381	510,886	819%
Net position:								
Net investment in capital assets	889,020	836,052	82,842	82,464	971,862	918,516	53,346	6%
Restricted	422,106	359,547	1,837	1,318	423,943	360,865	63,078	17%
Unrestricted	1,974,683	1,622,679	97,692	64,858	2,072,375	1,687,537	384,838	23%
Total net position	<u>\$ 3,285,809</u>	<u>\$ 2,818,278</u>	<u>\$ 182,371</u>	<u>\$ 148,640</u>	<u>\$ 3,468,180</u>	<u>\$ 2,966,918</u>	<u>\$ 501,262</u>	16.9%

\* Amounts have not been restated for GASB 87.

**Analysis of Net Position.** The County's net position increased \$501.3 million, or 16.9%, to \$3.5 billion at June 30, 2022.

**Governmental Activities** increased the County's net position by \$467.5 million, or 17% to \$3.3 billion.

**Total assets** increased \$461.7 million, or 11%, to \$4.6 billion. The significant changes in assets occurred in the following areas:

- *Cash and investments* increased by \$255.4 million. This increase was due to increase in receipts from property tax, charges for services, and operating grants and contributions.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2022

- *Receivables and other receivables* increased \$22.9 million primarily due to \$16.7 million increase in taxes receivable, \$7.3 million increase in net mortgage receivable, and \$1.3 million decrease in payments from loan receivable.
- *Lease receivable* increased \$6 million due to implementation of GASB statement No. 87.
- *Due from other governmental agencies* decreased \$39.5 million primarily due to \$33.6 million decrease in funding from CARES Emergency Rent Assistance fund, \$2.9 million decrease in funding from Temporary Assistance for Needy Families (TANF) grant, and \$2.0 million decrease in funding from Homeless Emergency Aid Program (HEAP) grant.
- *Leased assets* are required to be reported in the amount of \$61.5 million due to implementation of GASB statement No. 87.
- *Net OPEB asset* increased by \$12.6 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.
- *Capital assets* increased by \$145.2 million. The significant changes occurred in the following areas:
  - \$93.3 million increase in construction in progress resulted from \$68.5 million for County Office Building 3, \$30.8 million for Cordilleras Mental Health Facility, \$29.4 million for the Health System Center Campus Upgrade, \$12.8 million for San Mateo County Navigation Center, \$2.6 million for Radio Shop Project offset by \$52.0 million transfer of Parking Structure 2 project costs to structure and improvements upon completion of the project.
  - \$44.3 million increase in structure and improvements from current year's depreciation expense and transfer of completed projects.
  - \$6.0 million increase in land and easement from the Maple Street exchange with City of Redwood City.
  - \$2.3 million increase in infrastructure from the Burlingame Hills Sewer Maintenance District - Hillside/Adeline Area Sanitary Sewer Collection System Rehab Project.
  - \$2.2 million increase in software from completion of the Computer Aided Design (CAD) Application Software offset by \$1.5 million depreciation expense.
  - \$1.4 million net decrease in equipment from current year's depreciation expense.

**Total liabilities** decreased \$566.6 million, or 29% to \$1.4 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* decreased \$622.8 million or 92% to \$54.0 million. This decrease is a reflection of progressive contributions as actuarially determined to provide pension benefits for both active and retired members.
- *Net OPEB liability* decreased \$47.5 million or 100%. See explanation in Net OPEB asset.
- *Lease liabilities* are required to be reported in the amount of \$62.6 million due to implementation of GASB statement No. 87.
- *Long-term liabilities* increased by \$31.6 million to \$677.0 million. The decrease was due to \$31.6 million decrease from normal debt payments made on lease revenue bonds.
- *Due to governmental agencies* decreased \$8.7 million to \$41.0 million. The decrease was due to reduction in Medi-Cal reimbursement distributions in the current fiscal year.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2022

- *Unearned revenues* increased by \$44.5 million to \$219.3 million. The increase was due to \$28.3 million Covid-19 Great Plates program and \$17.4 million Medi-Cal Supplemental Security Income/Supplementary Payment Program (SSI-SSP) admin advance.

**Business-type Activities** increased the County's net position by \$33.7 million, or 23% to \$182.4 million.

Total assets increased \$84.8 million, or 20%, to \$516.9 million. The increase was primarily caused by the following:

- The *Medical Center's total assets* increased \$57.5 million. The significant changes are discussed below:
  - \$32.9 million increase in leased assets due to implementation of GASB statement No. 87.
  - \$10.9 million increase in cash and cash equivalents from increased payments from Federal programs.
  - \$10.7 million increase in dues from patient account receivables (net).
- The *Housing Authority's total assets* increased \$26.8 million primarily due to \$21.2 million increase in lease receivable due to implementation of GASB statement No. 87, \$8.4 million increase in Housing Development loans, offset by \$3.2 million decrease from repayments of Housing Development loans.

Total liabilities decreased \$70.7 million, or 18%, to \$314.4 million. The decrease was primarily due to the following:

- The *Medical Center's total liabilities* decreased \$71.2 million. The significant changes are discussed below:
  - Decrease of \$120.1 million in net pension and OPEB liabilities.
  - Increase of \$32.6 million in lease obligations due to implementation of GASB statement No. 87.
  - Increase of \$11.9 million in accrued reserves to account for pending government agency audits of various supplemental programs.
- *Housing Authority's total liabilities* increased \$1.2 million due to \$0.5 million increase in lease liability from implementation of GASB 87 and \$0.3 million increases in OPEB valuations.

The Medical Center's net position increased \$29.0 million, or 68%, to \$71.9 million. See explanations on pages 12-13.

The Housing Authority's net position increased \$4.9 million, or 8%, to \$66.8 million. See explanations on page 13.

Airports net position increased \$0.8 million and Coyote Point Marina's net position decrease \$0.1 million.

The **County's total net position** increased by \$501.3 million, or 17%, to \$3.5 billion as of June 30, 2022. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

- 28%, or \$971.9 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These assets, therefore, are *not* available for future spending. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- 12%, or \$423.9 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2022

- 60%, or \$2,072.4 million, of the County's net position represents resources that may be used to meet the County's ongoing obligations to citizens and creditors and therefore *unrestricted*.

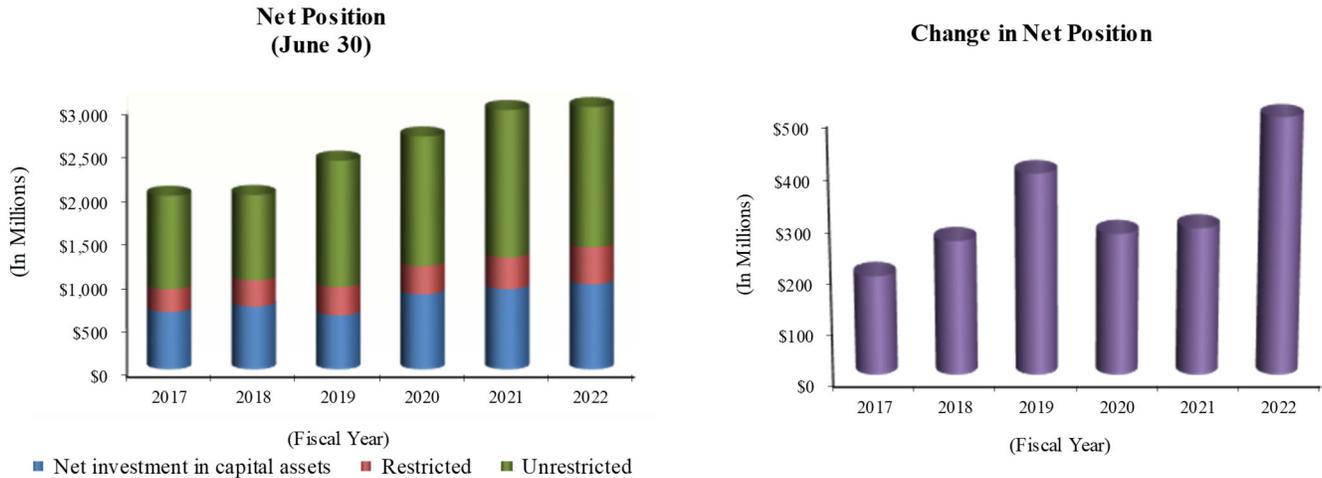
**Change in Net Position**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2022	2021 *	2022	2021 *	2022	2021 *	Amount	Percentage
<b>Revenues:</b>								
Program revenues:								
Charges for services	\$ 261,207	\$ 232,875	\$ 504,802	\$ 483,158	\$ 766,009	\$ 716,033	\$ 49,976	7%
Operating grants and contributions	782,230	783,503	11,072	8,584	793,302	792,087	1,215	0.2%
Capital grants and contributions	-	-	4,294	3,211	4,294	3,211	1,083	34%
Total program revenues	1,043,437	1,016,378	520,168	494,953	1,563,605	1,511,331	52,274	3%
General revenues:								
Property taxes	763,379	782,391	-	-	763,379	782,391	(19,012)	-2%
Other taxes	169,694	127,744	-	-	169,694	127,744	41,950	33%
Unrestricted interest and investment earnings	(57,313)	4,094	(3,231)	321	(60,544)	4,415	(64,959)	-1471%
Miscellaneous	47,287	36,950	3,231	1,878	50,518	38,828	11,690	30%
Total general revenues	923,047	951,179	0	2,199	923,047	953,378	(30,331)	-3%
Total revenues	1,966,484	1,967,557	520,168	497,152	2,486,652	2,464,709	21,943	1%
<b>Expenses:</b>								
Program expenses:								
General government	236,202	397,881	-	-	236,202	397,881	(161,679)	-41%
Public protection	414,152	485,608	-	-	414,152	485,608	(71,456)	-15%
Public ways and facilities	25,938	27,221	-	-	25,938	27,221	(1,283)	-5%
Health and sanitation	442,737	408,741	-	-	442,737	408,741	33,996	8%
Public assistance	281,337	283,760	-	-	281,337	283,760	(2,423)	-1%
Recreation	21,895	21,148	-	-	21,895	21,148	747	4%
Interest on long-term liabilities	28,402	23,745	-	-	28,402	23,745	4,657	20%
San Mateo Medical Center	-	-	397,777	399,704	397,777	399,704	(1,927)	-0.5%
Airports	-	-	4,635	4,736	4,635	4,736	(101)	-2%
Coyote Point Marina	-	-	1,661	1,461	1,661	1,461	200	14%
Housing Authority	-	-	130,654	123,320	130,654	123,320	7,334	6%
Total expenses	1,450,663	1,648,104	534,727	529,221	1,985,390	2,177,325	(191,935)	-9%
Excess (deficiency) before special item and transfers	515,821	319,453	(14,559)	(32,069)	501,262	287,384	213,878	74%
Transfers	(48,290)	(59,443)	48,290	59,443	-	-	-	n/a
<b>Change in net position</b>	467,531	260,010	33,731	27,374	501,262	287,384	213,878	74%
Net position - beginning, as previously reported	2,818,278	2,542,336	148,640	121,266	2,966,918	2,663,602	303,316	11%
Prior period adjustment	-	15,932	-	-	-	15,932	(15,932)	100%
Net position - beginning, as restated	2,818,278	2,558,268	148,640	121,266	2,966,918	2,679,534	287,384	11%
Net position - ending	\$ 3,285,809	\$ 2,818,278	\$ 182,371	\$ 148,640	\$ 3,468,180	\$ 2,966,918	\$ 501,262	17%

\* Amounts have not been restated for GASB 87.

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



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

**Governmental Activities.** Governmental activities increased the County’s net position by \$467.5 million to \$3.3 billion for the fiscal year ended June 30, 2022. This was predominantly from increases in property taxes, charges for services, and operating grants and contributions.

**Analysis of Governmental Activities - Revenues**

**Program Revenues** accounted for 53.1% of the County’s overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues increased \$27.1 million, or 3%, from the prior year. The significant changes included the following:

- *Charges for services* increased \$28.3 million, or 12%, to \$261.2 million primarily from increase in one-time credit from ‘Fee Relief Program’ to support cost of annual operating fees charged by Environmental Health Services (EHS) and increases in charges from Medi-Cal Administrative Activities (MAA) program and Transit Law Enforcement services.
- *Operating grants and contributions* decreased \$1.3 million, or 0.2%, to \$782.2 million. The decrease was primarily due to \$1.1 million decrease in federal funding as a result of lower CalWORKs caseloads.

**General Revenues** decreased \$28.1 million, or 3%, from the prior year. General revenues accounted for 46.9% of the County’s overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* decreased \$19.0 million, or 2%, to \$763.4 million. The significant changes included the following:
  - \$16.0 million increase in secured tax due to growth in secured assessed values.
  - \$8.2 million decrease in excess Educational Revenue Augmentation Fund (ERAF) due to release of reserves in prior year.

**COUNTY OF SAN MATEO**  
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- \$21.7 million increase 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).
- \$50.4 million decrease due to Vehicle License Fee (VLF) shortfall amount not reimbursed by the State in FY 2022.
- *Other Tax Revenues* increased \$42.0 million, or 33%, to \$169.7 million primarily due to \$30.7 million increase in sales and use taxes and \$6.2 million increase in tax revenue from vehicle rental business license tax.
- *Unrestricted Interest and Investment Earnings* decreased \$61.4 million, primarily due to market fluctuations and less robust earnings on investments in current year compared to prior year, thus reducing earnings on investments.
- *Miscellaneous Revenues* increased \$10.3 million, or 28%, to \$47.3 million due primarily to \$4.3 million increase in one-time donation for the construction of the San Mateo County Navigation Center, \$3.1 million increase from one-time grant received to cover costs associated with Oral Health grant and Mission Asset Fund grant, \$1.4 million increase in funding from Emergency Solutions Grant (ESG) and \$1.2 million increase from funding for one-time backfill and base restoration project.

**Analysis of Governmental Activities – Expenses**

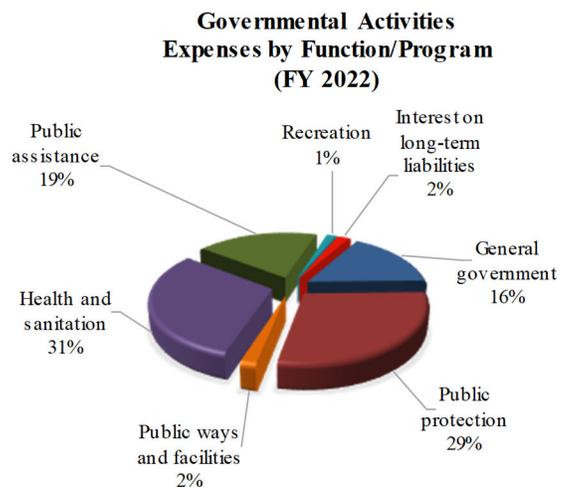
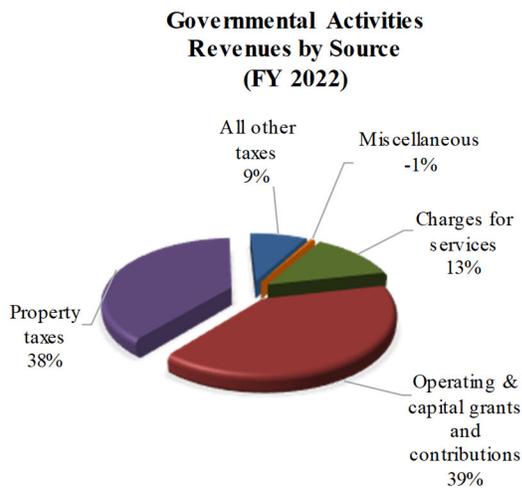
Expenses for *General government* decreased by \$161.7 million, or 41%. This decrease was mainly due to \$156.2 million decrease in COVID-19 related expenses and \$4.5 million decrease from one-time payment made in prior fiscal year towards general liability insurance.

Expenses for *Public protection* decreased by \$71.5 million, or 15%. The decrease was primarily due to decrease in salaries and benefits.

Expenses for *Health and sanitation* increased by \$34.0 million, or 8%. The increase was primarily due to \$8.3 million increase in contracted services related to Covid-19 pandemic, \$1.7 million increase from one-time payment for Children's Health Initiative Trust fund.

Expenses for *Public assistance* decreased by \$2.4 million, or 1%. The decrease is primarily due to \$2.2 million decrease in assistance payments from foster care caseloads.

For the fiscal year ended June 30, 2022, revenues and expenses for governmental activities are as follows:



**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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**Transfers out** to business-type activities decreased \$11 million, or 19% due to decrease in general fund distribution to the medical center.

**Business-type Activities.** The net position for business-type activities increased \$33.6 million to \$182.2 million. This was mainly from \$29.0 million increase from the Medical Center, \$4.7 million increase from the Housing Authority, \$0.8 million increase from the Airports, and \$0.1 million decrease from Coyote Point.

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

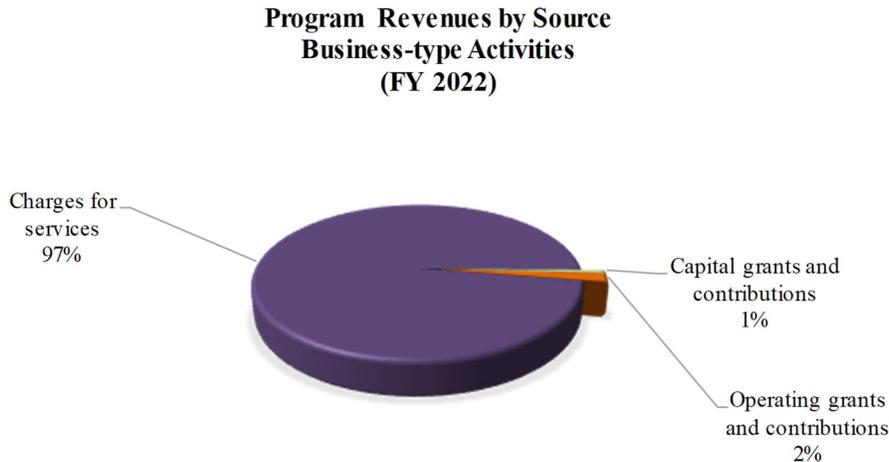
**Medical Center.** The net position of Medical Center increased \$29.0 million, or 68%, to \$71.9 million.

The Medical Center’s net operating loss decreased \$24.7 million, or 45%, to \$30.5 million. The significant changes included the following:

- \$78.2 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.
- \$8.6 million increase in net patient service revenues due to the resumed non-emergency services.
- \$14.5 million decrease in premium revenues due primarily to the release of reserves for prior year capitation rate revenue for the Health Plan of San Mateo (HPSM) for primary care services (PCP capitation).
- \$29.4 million increase in other operating revenues due primarily from settlements related to prior year waiver funding and reduced risk of revenues from the Quality Incentive Pool (QIP).
- \$3.0 million increase in salaries and benefits due primarily to increase in accrued leave benefits during the COVID-19 pandemic.
- \$26.8 million decrease in pension and OPEB expenses due to the results of an actuarial analysis performed under the provisions of GASB Statement Nos. 68 and 75.
- \$18.9 million increase in contract provider services due to back payments for contracted nursing services, increase in Medicare Acute Care Episode (ACE) program claims payment and increase in payments to contractor operating the skilled nursing facility.

**Housing Authority.** The net position of the Housing Authority increased \$4.9 million, or 8%, to \$66.8 million. The increase was primarily due to increase in revenues from Moving to Work and SAMCHAI (San Mateo County Housing Authority, Inc.).

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



**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
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**FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS**

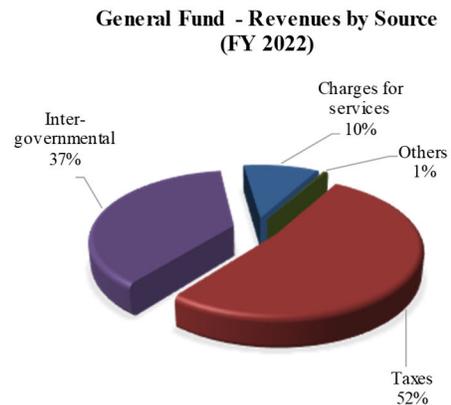
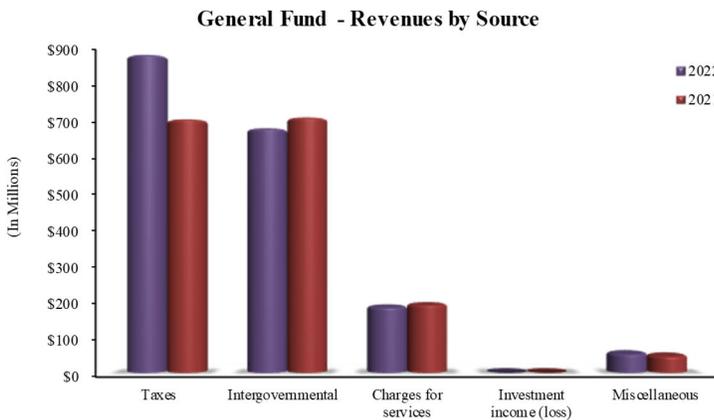
**Governmental funds.** As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information 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, 2022, the County’s governmental funds reported combined fund balances of \$2.3 billion at year-end, an increase of \$201.6 million, or 9.6%, compared to the prior fiscal restated fund balance. Approximately 73.8% of the combined amount, or \$1.7 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$602.9 million is nonspendable and restricted, including \$38.8 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$564.1 million restricted for specific purposes.

The *General Fund* is the primary operating fund of the County. At June 30, 2022, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$1.6 billion with total fund balance at \$1.8 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 108.2% of total fund expenditures, and total fund balance represents 123.7% of total fund expenditures. The overall fund balance in the General Fund has increased \$342.5 million during the current fiscal year. For the fiscal years ended June 30, 2022 and 2021, revenues for the General Fund are distributed as follows:

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

Revenues by Source	FY 2022		FY 2021		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 971,105	52%	\$ 717,051	43%	\$ 254,054	35%
Licenses and permits	7,926	0%	7,604	0%	322	4%
Intergovernmental	691,655	36%	722,401	43%	(30,746)	-4%
Charges for services	187,301	10%	193,870	12%	(6,569)	-3%
Fines, forfeitures, and penalties	7,248	0%	6,886	0%	362	5%
Rents and concessions	2,539	0%	2,130	0%	409	19%
Investment income (loss)	(47,657)	-3%	267	0%	(47,924)	-17949%
Other	37,464	2%	32,166	2%	5,298	16%
<b>Total</b>	<b>\$ 1,857,581</b>	<b>100%</b>	<b>\$ 1,682,375</b>	<b>100%</b>	<b>\$ 175,206</b>	<b>10%</b>



**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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**General Fund Revenues.** Significant changes in revenues are as follows:

*Taxes* increased by \$254.1 million, or 35%. The increase was due to increase in tax revenue from secured property tax, general sales tax, and vehicle rental business license tax.

*Intergovernmental* revenue decreased by \$30.7 million or 4%. The decrease was primarily due to \$18.8 million decrease from decline in Medi-Cal caseloads, \$3.8 million decrease from lower Mental Health Services Act (MHSA) drawdown for Whole Person Care grant, \$2.9 million decrease in funding from Temporary Assistance for Needy Families (TANF) grant and \$2.0 million decrease in funding from Homeless Emergency Aid Program (HEAP) grant.

*Charges for services* decreased by \$6.6 million, or 3%. The decrease was due to \$3.4 million decrease in filing fees in the State primary election from lower voter turn-out and \$1.5 million decrease in document recordings because of higher interest rates in real estate market.

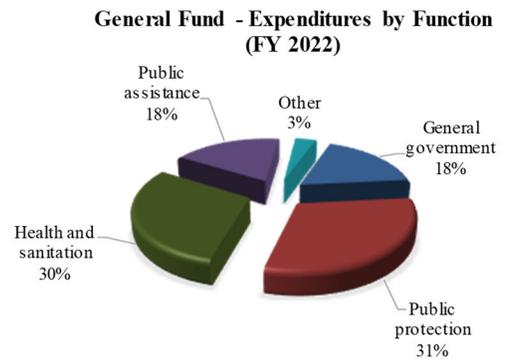
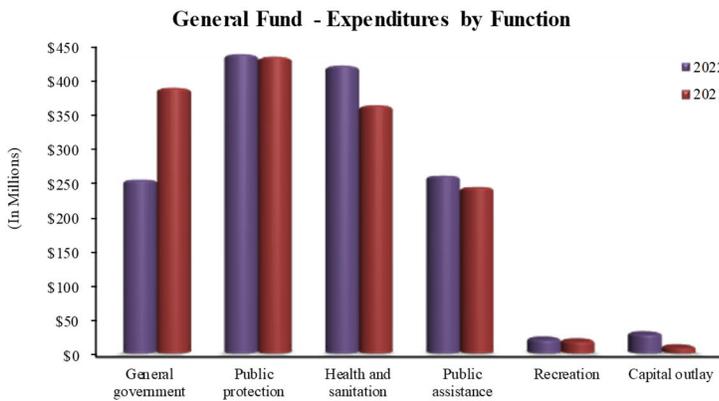
*Investment loss* increased by \$48 million. See explanations on page 12.

*Other revenue* increased by \$5.3 million, or 16%. See explanations on page 12.

For the fiscal years ended June 30, 2022 and 2021, expenditures for the General Fund are distributed as follows:

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

Expenditures by Function	FY 2022		FY 2021		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 258,567	18%	\$ 396,131	27%	\$ (137,564)	-35%
Public protection	446,475	31%	442,675	30%	3,800	1%
Health and sanitation	429,338	30%	370,024	25%	59,314	16%
Public assistance	264,541	18%	247,622	17%	16,919	7%
Recreation	21,343	1%	18,649	1%	2,694	14%
Capital outlay	29,280	2%	9,435	1%	19,845	210%
<b>Total</b>	<b>\$ 1,449,544</b>	<b>100%</b>	<b>\$ 1,484,536</b>	<b>100%</b>	<b>\$ (34,992)</b>	<b>-2%</b>



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

Expenditures for *General Government* decreased by \$137.6 million, or 35%. See explanations on page 12.

Expenditures for *Public Protection* increased by \$3.8 million, or 1%. The increase was primarily due to \$2.8 million increase in court Security expenditures.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
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Expenditures for *Health and Sanitation* increased by \$59.3 million, or 16%. See explanations on page 12.

Expenditures for *Public Assistance* increased by \$16.9 million, or 7%. The increase was primarily due to \$10.2 million increase from Housing and Community Development project maintenance expenses.

*Capital Outlay* increased by \$19.8 million, or 210%. The increase was primarily due to reclassification of capital outlay from capital projects fund to general fund.

**Joint Powers Financing Authority** is a major governmental fund. During FY 2021-22, JPFA's fund balance decreased \$118.2 million to \$216.3 million. The decrease was primarily due to increase in capital project expenditures (\$29.4 million increase from *San Mateo County Health Campus Upgrade*, \$17.8 million increase from County Office building 3 and \$30.8 million increase from Cordilleras project.

**Nonmajor governmental funds** experienced a \$22.7 million decrease 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 \$10.0 million to \$132.4 million. The significant changes occurred in the following funds:

- The Road Fund reported a \$7.5 million increase in fund balance primarily due to \$4.5 million reimbursement for prior year expenses on the Crystal Springs Dam Bridge project and \$2.2 million increase in grant reimbursement from CalTrans for pavement maintenance work.
- The County Half-Cent Transportation Fund reported a \$3.6 million increase in fund balance primarily due to increases in half-cent sales tax revenues distribution to cities and San Mateo County Transportation District.

*Capital Projects Fund*. The overall fund balance for capital project funds decreased \$32.3 million to \$132.5 million mainly due to the construction of County Office Building 3 project costs.

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

*Enterprise Funds*. The overall net position of enterprise funds increased \$34.6 million, with increased of \$33.9 million from major enterprise funds (\$29.0 million increase from Medical Center, and \$4.9 million increase from Housing Authority) and the remaining from non-major enterprise funds (Airports and Coyote Point Marina). Discussion on major enterprise funds can be found in the business-type activities section on 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 stayed the same as last year. Overall, this fund operated at nearly break-even.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund's final budget exceeded the original budget by \$75.8 million, or 4.0%, for the fiscal year ended June 30, 2022. 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 2021-22, the General Fund budget realized a total of \$75.8 million unanticipated revenues primarily from the following:

- \$21.3 million from County General Fund for reimbursement from the 2021 Series A Lease Revenue Bond, Cordilleras Mental Health Center Replacement Project.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
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- \$13.1 million from State Homekey Funds for the purchase, rehabilitation, and operation of Stone Villa in order to increase community capacity to respond to homelessness and the ongoing COVID-19 pandemic.
- \$10.0 million from Measure K for the grant agreement with Advanced Hospital Management Corporation (AHMC) Seton Medical Center LLC and AHMC Healthcare Inc.
- \$6.5 million from Epidemiology and Laboratory Capacity Expansion funding to Heluna Health for recruitment, hiring, management and oversight of personnel related to contract tracers related to Covid-19.
- \$5.0 million from donor Mr. John Sobrato in support of the purchase of modular residential units to be installed at the San Mateo County Navigation Center.
- \$3.2 million from Children's Health Initiative funds to the Immigrant Families Recovery Fund to provide financial and coaching support to San Mateo County families with children who are ineligible for the federal child tax credit because of their immigration status.
- \$2.9 million grant from the California Natural Resources Agency for The Big Lift to improve children's third grade reading proficiency through strategic, thoughtful, evidence-based investments in early learning and education.
- \$1.9 million grant from California Department of Public Health California Immunization Program for Detecting, Reporting, and Controlling Vaccine-Preventable Diseases.
- \$1.5 million from the Children's Health Initiative Trust Fund to return funds to contributing funders: First 5 San Mateo County, Peninsula Health Care District, and Sequoia Health Care District.
- \$1.3 million from Clerk-Recorder Modernization Trust Fund funding, Electronic Recording Trust Fund funding and Social Security Number Truncation Trust Fund funding for Dell servers, a new Granicus system upgrade for the County Clerk-Recorder, Rubic/EPLUS Cloud Storage, and Orange County eRecording fees.
- \$1.0 million grant The California Microbusiness COVID-19 Relief Grant Program (MBCRG) to provide relief to the hardest to reach microbusinesses and entrepreneurs.
- \$8.1 million from other sources for various purpose.

Actual General Fund revenues were below budgeted by \$182.9 million, or 9.6%. Revenues from intergovernmental agencies were below anticipated projections by \$173.2 million, while other financing sources were \$11.7 million lower than budget. Actual tax revenues were higher than the total budgeted by \$142.2 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 \$140.3 million lower than expected, primarily from \$38.4 million decrease in use of money and property, \$13.3 million decrease in charges for services, and \$87.2 million decrease in interfund revenues mainly from the elimination of interfund revenue between governmental funds.

Actual General Fund expenditures were below budgeted by \$1,003.7 million, or 38.4%. The unspent appropriations can be found in the following areas:

- \$301.9 million unspent appropriations in contingencies resulted from prudent long-term financial planning.
- \$152.8 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, the Middlefield Road Streetscape Project, Pescadero Fire Station, and County Office Building 3.

**COUNTY OF SAN MATEO**  
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- \$219.5 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.
- \$77.7 million unspent appropriations in salaries and benefits due primarily to unfilled positions throughout many departments.
- \$164.8 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.
- \$123.4 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.

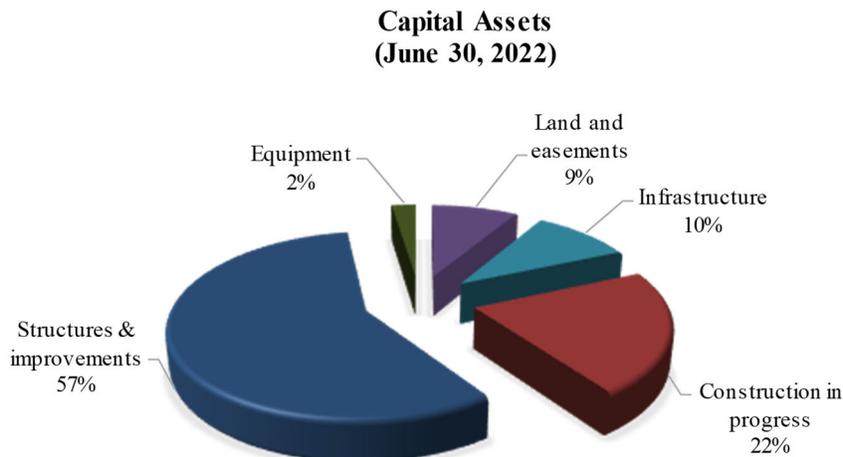
The overall unspent appropriation discussed above was offset by unrealized *intrafund transfers* (reimbursements from General Fund departments) of \$36.4 million.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The County’s investment in capital assets increased \$147.4 million, or 11%, to \$1,443.5 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, 2022 and 2021, are comprised of the following:

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2022	2021	2022	2021	2022	2021	Amount	Percentage
Land and easements	\$ 108,093	\$ 102,115	\$ 14,989	\$ 14,989	\$ 123,082	\$ 117,104	\$ 5,978	5%
Infrastructure	142,102	139,838	-	-	142,102	139,838	2,264	2%
Construction in progress	303,518	210,191	8,832	6,332	312,350	216,523	95,827	44%
Structures and improvements	775,567	731,254	48,867	48,952	824,434	780,206	44,228	6%
Equipment	23,704	25,132	10,744	11,657	34,448	36,789	(2,341)	-6%
Software	3,717	2,971	3,375	2,669	7,092	5,640	1,452	26%
<b>Total</b>	<b>\$ 1,356,701</b>	<b>\$ 1,211,501</b>	<b>\$ 86,807</b>	<b>\$ 84,599</b>	<b>\$ 1,443,508</b>	<b>\$ 1,296,100</b>	<b>\$ 147,408</b>	<b>11%</b>

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



**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
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*Additional information on the County’s capital assets can be found in Note 8 on pages 66-68 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 66):*
  - *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 first quarter of 2025. The estimated project cost is \$227 million. The total cost incurred during FY 2021-22 is \$29.4 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. The estimated project cost is \$230 million. The total cost incurred during FY 2021-22 is \$68.5 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 fourth quarter of 2024. The estimated project cost is \$160 million. The total cost incurred during FY 2021-22 is \$30.8 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 2021-22 is \$12.8 million.

**Leased assets.** The County’s investment in leased assets increased \$95.3 million, or 100%, to \$61.5 million (net of accumulated amortization) due to implementation of GASB statement No. 87 as of July 1, 2021. The County’s leased assets as of June 30, 2022 comprised of the following:

<b>Leased Assets</b>			
<b>Net of Accumulated Amortization</b>			
<b>(In Thousands)</b>			
	Governmental Activities	Business-type Activities	Total
	2022	2022	2022
Buildings	\$ 61,506	\$ -	\$ 61,506
Equipment	13	33,649	33,662
Total	<u>\$ 61,519</u>	<u>\$ 33,649</u>	<u>\$ 95,168</u>

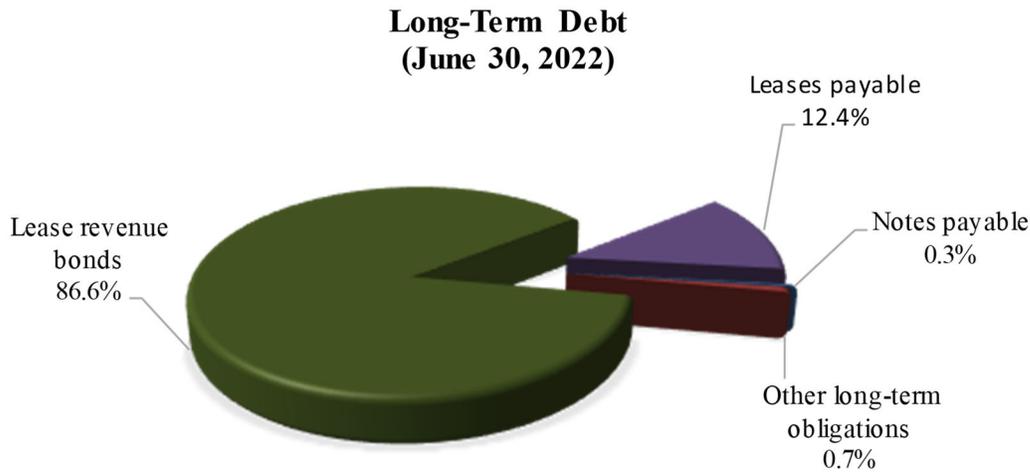
**COUNTY OF SAN MATEO**  
**Management’s Discussion and Analysis (Continued)**  
 Required Supplementary Information (Unaudited)  
 For the Fiscal Year Ended June 30, 2022

**Long-Term Debt.** The County’s total debt increased \$65.7 million, or 9%, to \$782.1 million as of June 30, 2022. The increase was due from \$97.3 million increase in leases payable from implementation of GASB statement No. 87, offset by the decrease of \$31.6 million decrease from normal debt payments made on lease revenue bonds. As indicated in the table below, the County’s total debt is primarily comprised of \$677.1 million in lease revenue bonds, \$97.3 million in leases payable, \$2.1 million in notes payable, and \$5.7 million in other long-term obligations.

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

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2022	2021	2022	2021	2022	2021	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 677,050	\$ 708,620	\$ -	\$ -	\$ 677,050	\$ 708,620	\$ (31,570)	-4%
Leases payable	62,573	-	34,693	-	97,266	-	97,266	n/a
Notes payable	-	-	2,059	2,135	2,059	2,135	(76)	-4%
Other long-term obligations	3,944	4,098	1,795	1,587	5,739	5,685	54	1%
<b>Total</b>	<b>\$ 743,567</b>	<b>\$ 712,718</b>	<b>\$ 38,547</b>	<b>\$ 3,722</b>	<b>\$ 782,114</b>	<b>\$ 716,440</b>	<b>\$ 65,674</b>	<b>9%</b>

The County’s debts as of June 30, 2022, are distributed as follows:



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

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

- **Scheduled Retirement of Outstanding Debt.** The County retired a total of \$27.5 million in principal payment, \$3.5 million decrease in bond premiums amortized, and \$0.5 million in accreted interest in outstanding lease revenue 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 2021-22 was \$130.5 million. The amount applicable to the debt service limit was \$58.6 million, which was \$71.8 million, or 55.1%, less than authorized.

**COUNTY OF SAN MATEO**  
**Management's Discussion and Analysis (Continued)**  
Required Supplementary Information (Unaudited)  
For the Fiscal Year Ended June 30, 2022

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

The County's economy has begun to see transitions as a result of new developments related to the pandemic. Acknowledging continuing uncertainty, the following economic factors were considered in the preparation of the County's final budget for FY 2021-22.

- As of June 2022, the unemployment rate in San Mateo County was 2.1%, although the rate fell to a preliminary figure of 2.0% in October 2022.
- With the close of the FY 2021-22 assessment rolls, net secured property (real property) value was assessed at an increase of 6.8% from FY 2020-21.
- Commercial rents have continued to increase. Despite decreased office demand, there is a clear flight to quality as average asking rates continue to climb as tenants seek trophy and Class A spaces. The average asking rent price for office space was at \$5.98 per square foot in the third quarter of 2022, an increase of 0.3% over the third quarter of 2021. These are some of the highest seen rates, even considering pre-pandemic figures.
- The County's taxable sales are projected to increase over FY 2022-23. Although airport passenger traffic, which contributes to the sales tax in unincorporated areas, continues to increase, it has not reached pre-pandemic levels. For FY 2021-22, sales taxes were up by 55% as compared to FY 2020-21. The County projected a flat change in sales tax, a 6.5% increase in Measure K Half Cent Sales Tax and a 2% increase in Public Safety Sales Tax in FY 2021-22.

In September 2022, the County Board adopted the final budget of \$4.2 billion for FY 2022-23.

**REQUEST FOR INFORMATION**

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

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

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



**Basic Financial Statements -**  
Government-Wide Financial Statements

**COUNTY OF SAN MATEO**  
**Statement of Net Position**  
**June 30, 2022**  
**(In Thousands)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2021)
<b>ASSETS</b>					
Cash and investments	\$ 2,592,048	\$ 111,016	\$ 2,703,064	\$ 13,930	\$ 437,059
Restricted cash and investments	48,536	2,102	50,638	-	300
Receivables (net)	242,820	33,066	275,886	38	55,196
Lease receivable	6,116	23,573	29,689	-	-
Due from other governmental agencies	261,082	187,525	448,607	938	191,264
Inventories	625	3,891	4,516	-	-
Prepays and other assets	17,899	7,078	24,977	-	7,244
Internal balances	7,108	(7,108)	-	-	-
Notes/Loans receivable	6,012	33,102	39,114	-	-
Net pension asset	-	-	-	-	2,373
Net OPEB asset	12,634	2,156	14,790	303	-
Leased assets:					
Right to use assets	72,897	36,329	109,226	369	-
Less: accumulated amortization	(11,378)	(2,603)	(13,981)	(85)	-
Capital assets:					
Nondepreciable	508,563	23,821	532,384	-	15,668
Depreciable, net	848,138	62,986	911,124	-	47,214
Total assets	<u>4,613,100</u>	<u>516,934</u>	<u>5,130,034</u>	<u>15,493</u>	<u>756,318</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized losses on refunding debts	10,994	-	10,994	-	-
Pension related	451,433	81,893	533,326	651	1,813
OPEB related	31,874	7,302	39,176	144	-
Total deferred outflows of resources	<u>494,301</u>	<u>89,195</u>	<u>583,496</u>	<u>795</u>	<u>1,813</u>
<b>LIABILITIES</b>					
Accounts payable	102,011	32,710	134,721	1,680	2,895
Payable from restricted cash and investments	-	265	265	-	-
Accrued interest payable	8,512	157	8,669	-	-
Accrued salaries and benefits	57,932	11,508	69,440	79	-
Accrued liabilities	604	62	666	-	239,074
Due to other governmental agencies	41,039	167,360	208,399	-	153,300
Unearned revenues	219,277	1,628	220,905	71	-
Deposits	13	4	17	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	53,963	45,646	99,609	286	-
Net OPEB liability - due beyond one year	-	547	547	-	-
Lease revenue bonds - due within one year	27,112	-	27,112	-	-
Lease revenue bonds - due beyond one year	649,938	-	649,938	-	-
Lease liabilities - due within one year	12,896	1,682	14,578	85	-
Lease liabilities - due beyond one year	49,677	33,011	82,688	200	-
Notes payable - due within one year	-	80	80	-	-
Notes payable - due beyond one year	-	1,979	1,979	-	-
Other long-term obligations - due within one year	157	-	157	-	-
Other long-term obligations - due beyond one year	3,787	1,795	5,582	-	-
Estimated claims - due within one year	20,856	-	20,856	-	-
Estimated claims - due beyond one year	37,292	-	37,292	-	-
Compensated absences - due within one year	45,186	12,348	57,534	54	-
Compensated absences - due beyond one year	27,450	3,599	31,049	87	-
Total liabilities	<u>1,357,702</u>	<u>314,381</u>	<u>1,672,083</u>	<u>2,542</u>	<u>395,269</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized gain on refunding debts	1,320	-	1,320	-	-
Pension related	377,411	69,767	447,178	564	2,484
OPEB related	84,943	18,501	103,444	371	-
Lease related	216	21,109	21,325	-	-
Total deferred inflows of resources	<u>463,890</u>	<u>109,377</u>	<u>573,267</u>	<u>935</u>	<u>2,484</u>
<b>NET POSITION</b>					
Net investment in capital assets	889,020	82,842	971,862	-	62,882
Restricted for:					
Public assistance	179,082	1,837	180,919	-	-
Road and sanitation	132,798	-	132,798	-	-
Debt service	99,836	-	99,836	-	-
Other purposes	10,390	-	10,390	-	300
Unrestricted	1,974,683	97,692	2,072,375	12,811	297,196
Total net position	<u>\$ 3,285,809</u>	<u>\$ 182,371</u>	<u>\$ 3,468,180</u>	<u>\$ 12,811</u>	<u>\$ 360,378</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, 2022**  
**(In Thousands)**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs:</b>				
<b>Primary government</b>				
Governmental activities:				
General government	\$ 236,202	\$ 67,696	\$ 123,675	\$ -
Public protection	414,152	61,830	182,141	-
Public ways and facilities	25,938	4,316	33,165	-
Health and sanitation	442,737	118,271	222,104	-
Public assistance	281,337	7,361	221,078	-
Recreation	21,895	1,733	67	-
Interest on long-term liabilities	28,402	-	-	-
Total governmental activities	1,450,663	261,207	782,230	-
Business-type activities:				
San Mateo Medical Center	397,777	364,625	10,925	4,294
Airports	4,635	5,251	105	-
Coyote Point Marina	1,661	1,596	42	-
Housing Authority	130,654	133,330	-	-
Total business-type activities	534,727	504,802	11,072	4,294
Total primary government	\$ 1,985,390	\$ 766,009	\$ 793,302	\$ 4,294
<b>Component units:</b>				
First 5 San Mateo County	\$ 5,772	\$ -	\$ 6,885	\$ -
Health Plan of San Mateo	\$ 909,008	\$ 931,522	\$ -	\$ -
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, 2022**  
**(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, 2021)
\$ (44,831)	\$ -	\$ (44,831)		
(170,181)	-	(170,181)		
11,543	-	11,543		
(102,362)	-	(102,362)		
(52,898)	-	(52,898)		
(20,095)	-	(20,095)		
(28,402)	-	(28,402)		
<u>(407,226)</u>	<u>-</u>	<u>(407,226)</u>		
	(17,933)	(17,933)		
	721	721		
	(23)	(23)		
	2,676	2,676		
<u>-</u>	<u>(14,559)</u>	<u>(14,559)</u>		
(407,226)	(14,559)	(421,785)		
			\$ 1,113	
				\$ 22,514
763,379	-	763,379	-	-
16,234	-	16,234	-	-
138,752	-	138,752	-	-
4,393	-	4,393	-	-
1,647	-	1,647	-	-
8,668	-	8,668	-	-
(57,313)	(3,231)	(60,544)	(375)	1,091
47,287	3,231	50,518	-	3,504
(48,290)	48,290	0	-	-
<u>874,757</u>	<u>48,290</u>	<u>923,047</u>	<u>(375)</u>	<u>4,595</u>
467,531	33,731	501,262	738	27,109
<u>2,818,278</u>	<u>148,640</u>	<u>2,966,918</u>	<u>12,073</u>	<u>333,269</u>
<u>\$ 3,285,809</u>	<u>\$ 182,371</u>	<u>\$ 3,468,180</u>	<u>\$ 12,811</u>	<u>\$ 360,378</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, 2022**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 2,020,594	\$ 209,401	\$ 296,380	\$ 2,526,375
Restricted cash and investments	-	17,935	30,601	48,536
Receivables (net):				
Accounts	14,726	-	90	14,816
Interest	27,181	371	790	28,342
Taxes	35,018	-	824	35,842
Mortgages	145,166	-	-	145,166
Other	17,701	-	-	17,701
Lease receivable	6,116	-	-	6,116
Due from other funds	10,240	-	1,556	11,796
Due from other governmental agencies	252,230	-	6,089	258,319
Loan receivable	6,012	-	-	6,012
Prepaid items	8,930	558	329	9,817
Inventories	148	-	364	512
Advances to other funds	7,436	-	-	7,436
Total assets	<u>\$ 2,551,498</u>	<u>\$ 228,265</u>	<u>\$ 337,023</u>	<u>\$ 3,116,786</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,177	\$ 11,876	\$ 27,059	\$ 101,112
Accrued salaries and benefits	56,848	-	913	57,761
Accrued liabilities	604	-	-	604
Due to other funds	2,086	87	3,369	5,542
Due to other governmental agencies	41,039	-	-	41,039
Unearned revenues	218,545	-	732	219,277
Deposits	-	-	13	13
Advances from other funds	-	-	5,707	5,707
Total liabilities	<u>381,299</u>	<u>11,963</u>	<u>37,793</u>	<u>431,055</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	371,530	-	3,719	375,249
Lease related	5,908	-	-	5,908
Total deferred inflows of resources	<u>377,438</u>	<u>-</u>	<u>3,719</u>	<u>381,157</u>
<b>FUND BALANCES</b>				
Nonspendable	37,538	558	693	38,789
Restricted	187,083	215,744	161,441	564,268
Assigned	6,279	-	133,377	139,656
Unassigned	1,561,861	-	-	1,561,861
Total fund balances	<u>1,792,761</u>	<u>216,302</u>	<u>295,511</u>	<u>2,304,574</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,551,498</u>	<u>\$ 228,265</u>	<u>\$ 337,023</u>	<u>\$ 3,116,786</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, 2022**  
**(In Thousands)**

**Fund balances - total governmental funds (page 25)** \$ 2,304,574

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.	492,802
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(462,363)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,346,717
Leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	61,519
Net OPEB asset is not a financial resource and, therefore, is not reported in the governmental funds.	12,583
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.	381,157
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.	26,439
Interest payable on long-term liabilities does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(8,512)
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	\$ (677,050)
Leases payable	(62,573)
Other long-term obligations	(3,944)
Compensated absences	(72,442)
Net pension liability	(53,098)
	(869,107)

**Net position of governmental activities (page 22)** \$ 3,285,809

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, 2022**  
**(In Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 971,105	\$ -	\$ 26,663	\$ 997,768
Licenses and permits	7,926	-	3,724	11,650
Intergovernmental	691,655	-	73,495	765,150
Charges for services	187,301	-	53,296	240,597
Fines, forfeitures and penalties	7,248	-	1,439	8,687
Rents and concessions	2,539	-	65	2,604
Investment income/(loss)	(47,657)	1,328	(8,052)	(54,381)
Other revenues	37,464	288	2,090	39,842
Total revenues	<u>1,857,581</u>	<u>1,616</u>	<u>152,720</u>	<u>2,011,917</u>
<b>Expenditures:</b>				
Current:				
General government	258,567	192	777	259,536
Public protection	446,475	-	3,974	450,449
Public ways and facilities	-	-	25,942	25,942
Health and sanitation	429,338	-	32,805	462,143
Public assistance	264,541	-	31,448	295,989
Recreation	21,343	-	-	21,343
Capital outlay	29,280	100,147	85,637	215,064
Debt service:				
Principal	-	27,514	154	27,668
Interest	-	31,127	61	31,188
Bond issuance costs	-	43	-	43
Total expenditures	<u>1,449,544</u>	<u>159,023</u>	<u>180,798</u>	<u>1,789,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>408,037</u>	<u>(157,407)</u>	<u>(28,078)</u>	<u>222,552</u>
<b>Other financing sources (uses):</b>				
Leases	36,920	-	-	36,920
Transfers in	28,641	39,252	120,515	188,408
Transfers out	(126,018)	-	(115,160)	(241,178)
Total other financing sources (uses)	<u>(60,457)</u>	<u>39,252</u>	<u>5,355</u>	<u>(15,850)</u>
<b>Net change in fund balances</b>	<u>347,580</u>	<u>(118,155)</u>	<u>(22,723)</u>	<u>206,702</u>
Fund balances - beginning, as previously reported	1,450,281	334,457	318,234	2,102,972
Prior period adjustment	(5,100)	-	-	(5,100)
Fund balances - beginning, as restated	<u>1,445,181</u>	<u>334,457</u>	<u>318,234</u>	<u>2,097,872</u>
Fund balances - end	<u>\$ 1,792,761</u>	<u>\$ 216,302</u>	<u>\$ 295,511</u>	<u>\$ 2,304,574</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, 2022**  
**(In Thousands)**

**Net change in fund balances - total governmental funds (page 27)** \$ 206,702

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	\$ 215,064	
Expenditures not subject to capitalization and the net effect of leases	(30,308)	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, and trade-ins	1,591	
Less current year amortization	(11,378)	
Less current year depreciation	<u>(29,819)</u>	145,150

Additional pension contribution to SamCERA is an outlay in the governmental funds, but reported as a net pension asset in the government-wide financial statements.

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 202,085

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 21,054

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. (43,683)

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

Payments toward:  
 Lease revenue bonds 27,514

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

Amortization of bond premium	3,527	
Retirement and amortization of gain/(loss) on refunding of debt	(456)	
Change in accrued interest payable	216	
Addition to accretion of capital appreciation bonds	(337)	
Deduction to accretion of capital appreciation bonds	866	
Change in other long-term liabilities	154	
Change in compensated absences	<u>4,711</u>	8,681

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 (103,337)

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 3,069

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. 296

**Change in net position of governmental activities (page 24)** \$ 467,531

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, 2022**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 80,239	\$ 22,272	\$ 8,505	\$ 111,016	\$ 65,673
Restricted cash and investments	-	2,102	-	2,102	-
Receivables (net):					
Accounts	25,384	31	79	25,494	772
Interest	1,014	67	23	1,104	181
Other	6,468	-	-	6,468	-
Lease receivable	-	59	70	129	-
Due from other funds	502	-	9	511	126
Due from other governmental agencies	186,305	1,192	28	187,525	2,763
Inventories	3,891	-	-	3,891	113
Notes receivable	-	5	-	5	-
Prepays and other assets	5,094	358	100	5,552	8,082
Total current assets	<u>308,897</u>	<u>26,086</u>	<u>8,814</u>	<u>343,797</u>	<u>77,710</u>
Noncurrent assets:					
Notes receivable	-	32,977	-	32,977	-
Loan receivable	120	-	-	120	-
Deposits	1,526	-	-	1,526	-
Net OPEB asset	2,111	-	45	2,156	51
Lease receivable	-	23,444	-	23,444	-
Leased assets:					
Right to use assets	35,056	1,273	-	36,329	-
Less: accumulated amortization	(2,173)	(430)	-	(2,603)	-
Capital assets:					
Nondepreciable	8,888	5,970	8,963	23,821	-
Depreciable, net	31,157	2,689	29,140	62,986	9,984
Total noncurrent assets	<u>76,685</u>	<u>65,923</u>	<u>38,148</u>	<u>180,756</u>	<u>10,035</u>
Total assets	<u>385,582</u>	<u>92,009</u>	<u>46,962</u>	<u>524,553</u>	<u>87,745</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related items	80,943	-	950	81,893	1,340
OPEB-related items	6,800	413	89	7,302	159
Total deferred outflows of resources	<u>87,743</u>	<u>413</u>	<u>1,039</u>	<u>89,195</u>	<u>1,499</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	32,118	391	201	32,710	899
Payable from restricted cash and investments	-	265	-	265	-
Accrued interest payable	70	-	87	157	-
Accrued salaries and benefits	11,060	316	132	11,508	171
Accrued liabilities	-	62	-	62	-
Due to other funds	6,476	-	15	6,491	400
Due to other governmental agencies	167,278	82	-	167,360	-
Unearned revenues	1,354	258	16	1,628	-
Deposits	-	-	4	4	-
Notes payable - current	-	1	79	80	-
Compensated absences - current	11,799	419	130	12,348	174
Lease liabilities - current	1,252	430	-	1,682	-
Estimated claims - current	-	-	-	-	20,856
Total current liabilities	<u>231,407</u>	<u>2,224</u>	<u>664</u>	<u>234,295</u>	<u>22,500</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	785
Net pension liability	45,298	-	348	45,646	865
Net OPEB liability	-	547	-	547	-
Notes payable - noncurrent	-	30	1,949	1,979	-
Compensated absences - noncurrent	3,290	237	72	3,599	20
Lease liabilities - noncurrent	32,577	434	-	33,011	-
Estimated claims - noncurrent	-	-	-	-	37,292
Other long-term liabilities - noncurrent	890	905	-	1,795	-
Total noncurrent liabilities	<u>82,999</u>	<u>2,153</u>	<u>2,369</u>	<u>87,521</u>	<u>38,962</u>
Total liabilities	<u>314,406</u>	<u>4,377</u>	<u>3,033</u>	<u>321,816</u>	<u>61,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	68,894	-	873	69,767	1,101
OPEB related	18,090	174	237	18,501	426
Lease related	-	21,039	70	21,109	-
Total deferred inflows of resources	<u>86,984</u>	<u>21,213</u>	<u>1,180</u>	<u>109,377</u>	<u>1,527</u>
<b>NET POSITION</b>					
Net investment in capital assets	38,160	8,607	36,075	82,842	9,984
Restricted:					
Housing assistance programs	-	1,837	-	1,837	-
Unrestricted	33,775	56,388	7,713	97,876	16,271
Total net position	<u>\$ 71,935</u>	<u>\$ 66,832</u>	<u>\$ 43,788</u>	<u>182,555</u>	<u>\$ 26,255</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(184)	
Net position of business-type activities (page 22)				<u>\$ 182,371</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, 2022**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds			Total	Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds		Internal Service Funds
<b>Operating revenues:</b>					
Charges for services	\$ 528,659	\$ -	\$ 1,714	\$ 530,373	\$ 163,608
Less:					
Contractual allowances	(367,095)	-	-	(367,095)	-
Provision for doubtful accounts	(3,809)	-	-	(3,809)	-
Net charges for services	157,755	-	1,714	159,469	163,608
Other program revenues:					
Supplemental programs	160,646	-	-	160,646	-
Premium revenues	9,292	-	-	9,292	-
Sales tax realignment	23,471	-	-	23,471	-
Other operating revenues:					
Rent and concessions	1,553	4,002	5,133	10,688	-
Revenue from housing assistance payments	-	129,328	-	129,328	-
Revenue from foundations	3,830	-	-	3,830	-
Sales of drugs and medical supplies, fees, and others	8,078	-	-	8,078	-
Miscellaneous	655	2,310	266	3,231	567
Total operating revenues	<u>365,280</u>	<u>135,640</u>	<u>7,113</u>	<u>508,033</u>	<u>164,175</u>
<b>Operating expenses:</b>					
Salaries and benefits	167,889	6,146	1,924	175,959	2,658
Pension expense	18,972	-	233	19,205	310
OPEB expense	-	120	-	120	-
Pharmaceutical drugs	13,974	-	-	13,974	-
Supplies	13,038	-	-	13,038	-
Contract provider services	92,073	-	-	92,073	-
Other fees and purchased services	65,980	-	-	65,980	-
General and administrative	18,574	8,134	3,054	29,762	17,402
Benefits and claims	-	-	-	-	23,274
Insurance premiums	-	-	-	-	120,913
Depreciation	3,146	563	969	4,678	2,937
Amortization	2,173	430	-	2,603	-
Housing assistance payments	-	115,261	-	115,261	-
Total operating expenses	<u>395,819</u>	<u>130,654</u>	<u>6,180</u>	<u>532,653</u>	<u>167,494</u>
Operating income (loss)	<u>(30,539)</u>	<u>4,986</u>	<u>933</u>	<u>(24,620)</u>	<u>(3,319)</u>
<b>Nonoperating revenues (expenses):</b>					
State and federal grants	-	-	147	147	-
Medi-Cal rate differential	7,439	-	-	7,439	-
Provider relief fund revenues	3,486	-	-	3,486	-
Loss from disposal of capital assets	(164)	-	-	(164)	-
Investment loss	(2,875)	(132)	(224)	(3,231)	(1,753)
Interest expense	(927)	-	(95)	(1,022)	-
Total nonoperating revenues, net	<u>6,959</u>	<u>(132)</u>	<u>(172)</u>	<u>6,655</u>	<u>(1,753)</u>
Income (loss) before capital contributions and transfers	<u>(23,580)</u>	<u>4,854</u>	<u>761</u>	<u>(17,965)</u>	<u>(5,072)</u>
Capital contributions	4,294	-	-	4,294	-
Transfers in	58,097	-	-	58,097	4,516
Transfers out	(9,807)	-	-	(9,807)	(36)
<b>Change in net position</b>	<u>29,004</u>	<u>4,854</u>	<u>761</u>	<u>34,619</u>	<u>(592)</u>
Net position - beginning	<u>42,931</u>	<u>61,978</u>	<u>43,027</u>		<u>26,847</u>
Net position - end	<u>\$ 71,935</u>	<u>\$ 66,832</u>	<u>\$ 43,788</u>		<u>\$ 26,255</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(888)	
Change in net position of business-type activities (page 24)				<u>\$ 33,731</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, 2022**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>					
Cash receipts from customers	\$ 359,059	\$ 155,732	\$ 7,038	\$ 521,829	\$ -
Cash receipts from interfund services provided	-	-	-	-	162,269
Cash paid to suppliers of goods and services	(195,808)	(27,379)	(3,049)	(226,236)	(138,031)
Cash paid to employees for services	(206,880)	(6,596)	(2,321)	(215,797)	(3,410)
Cash paid for housing assistance	-	(117,943)	-	(117,943)	-
Cash paid for judgments and claims	-	-	-	-	(20,463)
Net cash provided by operating activities	(43,629)	3,814	1,668	(38,147)	365
<b>Cash flows from noncapital financing activities</b>					
County subsidy transfers	58,097	-	-	58,097	-
Transfers received from other funds	-	-	-	-	4,516
Transfers paid to other funds	(9,807)	-	-	(9,807)	(36)
Loan repayment to other funds	(738)	-	-	(738)	-
Cash receipts from provider relief funds	3,486	-	-	3,486	-
Cash receipts related to Medi-Cal rate differential	7,439	-	-	7,439	-
State and federal grant receipts	-	-	147	147	-
Net cash provided by noncapital financing activities	58,477	-	147	58,624	4,480
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(6,850)	-	(201)	(7,051)	(2,066)
Capital contribution	4,294	-	-	4,294	-
Principal paid on long-term debt	-	-	(75)	(75)	-
Interest paid on long-term debt	-	-	(98)	(98)	-
Cash paid on lease liability	(1,227)	(409)	-	(1,636)	-
Cash paid for interest on lease liability	(927)	(26)	-	(953)	-
Cash received on lease receivables	-	226	27	253	-
Cash received for interest on lease receivables	-	532	2	534	-
Net cash used in capital and related financing activities	(4,710)	323	(345)	(4,732)	(2,066)
<b>Cash flows from investing activities</b>					
Principal received from loans and investments	3,595	3,413	-	7,008	-
Cash disbursed for loans	-	(8,250)	-	(8,250)	-
Investment loss	(2,805)	-	-	(2,805)	-
Interest received from loans and investments	-	315	-	315	-
Investment expense paid	-	(741)	(231)	(972)	(1,783)
Net cash provided by (used in) investing activities	790	(5,263)	(231)	(4,704)	(1,783)
Net increase (decrease) in cash and cash equivalents	10,928	(1,126)	1,239	11,041	996
Cash and cash equivalents, beginning	69,311	25,500	7,266	102,077	64,677
Cash and cash equivalents, end	\$ 80,239	\$ 24,374	\$ 8,505	\$ 113,118	\$ 65,673
<b>Financial statement presentation:</b>					
Cash and investments	\$ 80,239	\$ 22,272	\$ 8,505	\$ 111,016	\$ 65,673
Restricted cash and investments	-	2,102	-	2,102	-
Cash and cash equivalents, end	\$ 80,239	\$ 24,374	\$ 8,505	\$ 113,118	\$ 65,673
<b>Supplemental disclosure of noncash activities:</b>					
Noncash capital and related financing activities:					
Additions to leases	\$ 32,883	\$ 843	\$ -	\$ 33,726	\$ -

(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, 2022**  
**(In Thousands)**

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
<b>Operating income (loss)</b>	\$ (30,539)	\$ 4,986	\$ 933	\$ (24,620)	\$ (3,319)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	5,319	993	969	7,281	2,937
Decrease (increase) in:					
Accounts receivable	(10,696)	(26)	61	(10,661)	(158)
Lease receivable	-	20,222	(99)	20,123	-
Other receivable	(751)	-	-	(751)	-
Due from other funds	(428)	-	(3)	(431)	(113)
Due from other governmental agencies	316	(692)	(28)	(404)	(238)
Inventories	(209)	-	-	(209)	(36)
Other assets	104	(21,505)	(22)	(21,423)	(1,303)
Net OPEB asset	(2,111)	-	(45)	(2,156)	(300)
Deferred outflows of resources	23,377	(233)	-	23,144	456
Increase (decrease) in:					
Accounts payable	8,040	39	27	8,106	(33)
Accrued salaries and benefits	975	63	20	1,058	16
Accrued liabilities	-	9	-	9	-
Due to other funds	-	-	13	13	398
Due to other governmental agencies	-	82	-	82	-
Unearned revenues	75	(412)	(19)	(356)	(45)
Refundable deposits	5,814	-	-	5,814	(94)
Net pension liability	(107,408)	-	(1,185)	(108,593)	(1,803)
Net OPEB liability	(10,597)	327	-	(10,270)	-
Compensated absences	(1,247)	12	3	(1,232)	(87)
Estimated claims	-	-	-	-	2,811
Deferred inflows of resources	76,337	(51)	1,043	77,329	1,276
Net cash provided by (used in) operating activities	<u>\$ (43,629)</u>	<u>\$ 3,814</u>	<u>\$ 1,668</u>	<u>\$ (38,147)</u>	<u>\$ 365</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, 2022**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>				
Cash and investments (in County investment pool)	\$ 14,078	\$ 3,600,042	\$ 204,695	\$ 364,066
Cash and investments (outside County investment pool)	301,108	-	-	-
Receivables (net):				
Due from broker for investments sold	60,200	-	-	-
Contributions	14,691	-	-	-
Accounts	-	-	-	1,038
Interest	8,049	10,709	517	966
Securities lending income	16	-	-	-
Taxes, net	-	-	-	171,790
Other	132	-	-	37,741
Due from other governmental agencies	-	10,136	-	29,269
Prepaid expense	352	-	-	-
Investments:				
Fixed income	1,365,666	-	-	-
Equity	2,065,993	-	-	-
Alternatives	807,908	-	-	-
Inflation hedge	1,105,639	-	-	-
Capital assets, net	3,875	-	-	-
Lease assets, net	2,814	-	-	-
Other assets	-	557	-	43,957
Total assets	<u>5,750,521</u>	<u>3,621,444</u>	<u>205,212</u>	<u>648,827</u>
<b>LIABILITIES</b>				
Accounts payable	2,126	3,463	1	7,316
Due to broker for investments purchased	90,091	-	-	-
Due to other governmental agencies	-	1	84,623	1,015
Securities lending collateral due to borrowers	4,121	-	-	-
Lease liabilities	2,890	-	-	-
Other liabilities	1,619	10,181	23,935	186,934
Total liabilities	<u>100,847</u>	<u>13,645</u>	<u>108,559</u>	<u>195,265</u>
<b>NET POSITION</b>				
Restricted for:				
Pension benefits	5,649,674	-	-	-
Investment pool participants	-	3,607,799	-	-
Individuals, organizations and other governments	-	-	96,653	453,562
Total net position	<u>\$ 5,649,674</u>	<u>\$ 3,607,799</u>	<u>\$ 96,653</u>	<u>\$ 453,562</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, 2022**  
**(In Thousands)**

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>				
Contributions:				
Employer contributions	\$ 234,746	\$ -	\$ -	\$ -
Employer supplementary contributions	15,200	-	-	-
Plan member contributions	73,968	-	-	-
Contributions to investment pool	-	4,791,884	-	213,008
Contributions held on bequests	-	-	-	34,362
Property taxes collected for other governments	-	-	4,180,359	1,169,038
Total contributions	<u>323,914</u>	<u>4,791,884</u>	<u>4,180,359</u>	<u>1,416,408</u>
Net investment income:				
Net depreciation in fair value of investments	(427,448)	(128,155)	-	-
Interest and investment income/(loss)	111,425	111,143	(6,123)	(13,549)
Investment expense	(50,677)	-	-	-
Securities lending activities:				
Securities lending income	94	-	-	-
Securities lending expenses	(21)	-	-	-
Total net investment income	<u>(366,627)</u>	<u>(17,012)</u>	<u>(6,123)</u>	<u>(13,549)</u>
Total additions	<u>(42,713)</u>	<u>4,774,872</u>	<u>4,174,236</u>	<u>1,402,859</u>
<b>DEDUCTIONS</b>				
Benefits and refunds paid to plan members and beneficiaries:				
Service retirement benefits	246,250	-	-	-
Disability retirement benefits	28,675	-	-	-
Death and other benefits	1,577	-	-	-
Withdrawals of members' contributions	4,407	-	-	-
Beneficiary payments to individuals	-	-	-	28,320
Total benefits and refunds paid to plan members and beneficiaries	<u>289,909</u>	<u>-</u>	<u>-</u>	<u>28,320</u>
Distributions from investment pool	-	4,909,714	-	218,706
Property taxes distributed to other governments	-	-	4,146,090	1,061,158
Payments to other local governments	-	-	-	18,229
Administrative expenses	8,790	-	-	2,005
Interest expense	-	-	-	2,521
Total deductions	<u>289,699</u>	<u>4,909,714</u>	<u>4,146,090</u>	<u>1,330,939</u>
<b>Change in net position</b>	<u>(332,412)</u>	<u>(134,842)</u>	<u>28,146</u>	<u>71,920</u>
Net position - beginning	<u>5,982,086</u>	<u>3,742,641</u>	<u>68,507</u>	<u>381,642</u>
Net position - end	<u>\$ 5,649,674</u>	<u>\$ 3,607,799</u>	<u>\$ 96,653</u>	<u>\$ 453,562</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, 2022**  
**(In Thousands)**

**NOTE 1 – THE FINANCIAL REPORTING ENTITY**

**(a) Reporting Entity**

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

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

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

**(b) Blended Component Units**

*San Mateo County Joint Powers Financing Authority*

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

*Housing Authority of the County of San Mateo*

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

*In-Home Supportive Services (IHSS) Public Authority*

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

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

*County Service Areas, Sewer and Sanitation, Lighting, and Other Special Districts*

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

**(c) Discretely Presented Component Units**

*First 5 San Mateo County*

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

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

*Health Plan of San Mateo*

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

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

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

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

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

**(d) Component Unit – Fiduciary in Nature**

*San Mateo County Employees' Retirement Association*

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

***Government-wide Financial Statements***

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

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

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

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***Fund Financial Statements***

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County also reports the following additional fund types:

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

These funds include:

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

**COUNTY OF SAN MATEO**  
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- *Private Purpose Trust Funds* hold unapportioned taxes for other local governmental agencies including redevelopment agencies (RDA). These funds are held by the County as an agent for various local governments and individuals.
- *Custodial Funds* are used to report fiduciary activities that are not required to be reported in pension, investment, or private-purpose trust funds. These funds are used to account for assets held by the County as an agent for various local governments and individuals, such as the County Library Fund governed by the Board of San Mateo Joint Powers Authority; funds administered by the San Mateo County Superior Court; and funds held for the Public Administrator, Public Guardian, and other governmental agencies.

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

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

**B. Measurement Focus and Basis of Accounting**

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

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

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

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

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**Notes to the Basic Financial Statements (Continued)**  
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**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

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

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

For the fiscal year ended June 30, 2022, 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 \$145.2 million, net of allowance of \$22.8 million, on the governmental funds balance sheet as of June 30, 2022.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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**5. Inventories and Prepaid Items**

Inventories are stated at cost (first-in, first-out basis) for governmental funds and 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 2021-22 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/expenditure) 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

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its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net 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 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 14 for further discussion.

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

The County's policy allows employees to accumulate earned but unused vacation, compensatory, and holiday time, which are eligible for payment upon separation from 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**

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

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

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**D. Revenues and Expenditures/Expenses**

**1. Property Tax Levy, Collection, and Maximum Rates**

The State’s Constitution Article XIII A, commonly known as Proposition 13, provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless two-thirds of the voters have approved additional taxes be levied to fund general obligation bond debt service. Under Proposition 13, beginning with FY 1978-79, assessed value was calculated at 100% of market value (also known as base value) and may be 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 2021-22, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$268.1 billion. This amount includes \$27.9 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 \$32 million at June 30, 2022.

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 \$219.4 million at June 30, 2022.

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 \$250.1 million from the excess ERAF for the fiscal year ended June 30, 2022.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
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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 June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement is to improve accounting and financial reporting for leases by governments. This Statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the consistency of information about governments' leasing activities. As of July 1, 2021, the County implemented GASB 87. Implementation of this standard resulted in reclassification of certain activities between governmental activities, business-type activities, and general fund. The County also recognized a lease receivable and deferred

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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inflow of resources by \$5.2 million that was previously reported in general fund. The effect of the implementation of this standard on beginning net position is disclosed below:

	Governmental Activities	Business-type Activities	General Fund
Recognition of right-to-use leased assets	\$ 35,977	\$ 36,329	\$ -
Recognition of lease receivable	-	-	5,230
Recognition of lease liability	(35,977)	(36,329)	-
Recognition of deferred inflows from leases	-	-	(5,230)
Net position at July 1, 2021, as adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expenditure/expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. This Statement is effective for the County’s fiscal year ending June 30, 2022 and there is no impact to the financial statements.

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

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the County’s fiscal year June 30, 2023. All other requirements of this Statement are effective for the County’s fiscal year June 30, 2022 and there is no impact to the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for the benefits provided through those plans. This Statement is effective for the County’s fiscal year June 30, 2022 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 the requirements related to extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement Nos. 53 and 63 are effective for the County’s fiscal year June 30, 2022 and there is no impact to the financial statements.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the County’s fiscal year June 30, 2023.
- In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for the County’s fiscal year June 30, 2023.
- In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement is effective for the County’s fiscal year June 30, 2023.
- In 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 subscription-based information technology arrangements are effective for the County’s fiscal year June 30, 2023. The 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, 2022, the Tower Road Construction, the Workers’ Compensation Insurance, and the Personal Injury and Property Damage internal service funds, reported net deficits of \$1.2 million, \$26.2 million, and \$0.8 million, respectively.

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements (Continued)**  
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*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 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 and Personal Injury and Property Damage.* These funds have accumulated insufficient net position to pay for workers' compensation and personal injury and property damage claims on a pay as you go basis. The County has sufficient General Fund reserves to cover the deficit in these funds as needed. In addition, the County will continue to phase in premium rate increases and work with departments to inhibit growth in operating costs.

**Prior Period Adjustment**

General Fund - During the year ended June 30, 2022, the County restated and decreased the beginning General Fund fund balance by \$5.1 million due to the implementation of GASB 87.

**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, 2022, the net asset value of involuntary participation in the investment pool was \$5.72 billion.

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

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

**COUNTY OF SAN MATEO**  
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**Cash and cash equivalents:**

Cash on hand - County	\$ 4,215
Money market deposit accounts - JPFA	2,812
Cash and deposits - SamCERA	296,987
Deposits - County	(60,580) <sup>1</sup>
Cash deposits - HPSM	54,815 <sup>2</sup>
Cash equivalents - HPSM	<u>203,396 <sup>2</sup></u>
Total cash	<u>501,645</u>

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

Primary government	\$ 2,753,702
Discretely presented component unit - First 5	13,930
Discretely presented component unit - HPSM	437,359 <sup>2</sup>
Pension trust fund	5,660,392
Investment trust fund	3,600,042
Private purpose trust funds	204,695
Custodial funds	<u>364,066</u>
Total cash and investments	<u>\$ 13,034,186</u>

**Investments:**

In Treasurer's pool	6,946,095
With fiscal agents of the County	25,163
With fiscal agents of the JPFA	138,482
In SamCERA's portfolio	5,349,327
In Library's portfolio	2,203
In HPSM's portfolio	<u>72,317 <sup>2</sup></u>
Total investments	12,533,587
Perspective difference	<u>(1,046) <sup>3</sup></u>
	<u>12,532,541</u>
Total cash and investments	<u>\$13,034,186</u>

<sup>1</sup> At year-end, the carrying amount of the County's cash deposits was (\$60,580) and the bank balance was \$35,923. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

<sup>2</sup> HPSM's cash and investments were as of December 31, 2021.

<sup>3</sup> Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2021 and June 30, 2022, which was \$106.8 and \$107.8 million, respectively.

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

The table below summarizes total investments reported as of June 30, 2022:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
<b>Investments in Investment Pool</b>					
Negotiable certificates of deposit	0.33% - 2.70%	7/6/22 - 4/26/23	\$ 441,000	\$ 420,845	0.59
U.S. treasury notes	0% - 2.88%	7/31/22 - 11/30/26	2,376,280	2,298,748	2.00
U.S. treasury bills	0%	9/8/22 - 11/3/22	60,000	59,686	0.28
U.S. government agency securities	0% - 3.30%	7/21/22 - 11/7/25	1,706,675	1,668,974	1.21
U.S. government agency securities - floating rate	0.85% - 2.00%	3/16/23 - 4/29/24	411,850	410,415	1.07
U.S. instrumentalities <sup>2</sup>	0% - 7.63%	7/1/22 - 1/13/27	712,860	703,398	0.73
Corporate bonds	0.35% - 4.00%	8/16/22 - 5/15/27	725,019	700,809	2.52
Corporate bonds - floating rate	1.49% - 3.86%	5/19/24 - 7/23/24	22,000	21,698	1.97
Municipal bonds	0.67% - 3.40%	8/1/23 - 8/1/25	33,785	32,818	1.86
Money market funds	0%	**	36,781	36,781	*
Local Agency Investment Fund	0.50%	**	25,000	25,000	0.85
California Asset Management Program	0.50%	**	175,000	175,000	0.08
Commercial paper	0.00%	7/5/22 - 1/3/23	310,000	306,544	0.39
Asset backed securities	0.37% - 2.60%	10/16/23 - 11/15/26	87,716	85,379	3.03
<b>Total investments in investment pool</b>			<b>\$ 7,123,966</b>	<b>6,946,095</b>	<b>1.46</b>
<b>Investments outside of Investment Pool</b>					
<b>San Mateo County</b>					
First American Government Obligations Fund - D class				25,163	*
<b>San Mateo Joint Powers Financing Authority</b>					
U.S. treasury notes				4,046	0.30
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	4.40
First American Government Obligations Fund - D class				132,908	*
First American Treasury Obligations Fund - D class				590	*
Subtotal				138,482	
<b>San Mateo County Employees' Retirement Association</b>					
Commingled fixed income portfolio:					
Opportunistic Credit Funds <sup>3</sup>				525,527	5.23
Western Asset Management				181,748	5.06
Subtotal				707,275	5.19
Separate account fixed income portfolio: <sup>4</sup>					
Asset Back Securities				58,589	14.40
Collateralized Bonds				459	9.30
Commercial Mortgage Backed				40,410	22.30
Corporate Bonds				156,079	8.60
Government Agencies				4,740	13.40
Government Bonds				213,920	12.10
Government Mortgage Backed Securities				165,344	25.00
Government Commercial Mortgage Backed				8,942	23.00
Municipal Bonds				4,468	11.50
Collateralized Mortgage Obligations				5,440	38.70
Subtotal				658,391	15.71

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements**  
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	Fair Value	Weighted Average Maturity (Years)		
<b>Investments outside of Investment Pool</b>				
Northern Institutional Liquid Assets Portfolio Cash Collateral Fund	4,121	**		
Equity securities:				
Foreign stocks	505,865	**		
U.S. common & preferred stock	541,507	**		
Commingled funds:				
Domestic equity	446,757	**		
International equity	315,410	**		
Liquid pool	348,875	**		
Domestic equity	158,358	**		
International equity	98,096	**		
Real estate	537,472	**		
Alternatives:				
Absolute return/hedge funds	432,734	**		
Private equity	375,174	**		
Private real asset	219,292	**		
Subtotal	3,983,661			
Total SamCERA's investments	5,349,327			
<b>San Mateo County Library</b>				
Local Agency Investment Fund	2,203	0.85		1
<b>Health Plan of San Mateo</b> (as of December 31, 2021)				
Local Agency Investment Fund	72,317	0.85		1
<b>Total investments outside of investment pool</b>	5,587,492			
<b>Total investments</b>	\$ 12,533,587			

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

\*\* Not applicable or not available.

<sup>1</sup> WAM was computed using the average life from the Pooled Money Investment Account quarterly performance report as of June 30, 2022.

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

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

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

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

### County Investment Pool

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

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy. At June 30, 2022, the investment pool had a weighted average maturity of 1.46 years and its investment in floating rate securities was \$21.7 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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Investment as of June 30, 2022	Standard & Poor's Rating	% of Portfolio
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	AA-	0.29%
Negotiable Certificates of Deposit	A1+	2.25%
Negotiable Certificates of Deposit	A1	3.17%
Negotiable Certificates of Deposit	A	0.36%
U.S. Government Securities		
U.S. Treasury Securities	AA+	33.95%
U.S. Instrumentalities	AAA	10.13%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	9.55%
Federal Home Loan Mortgage Corporation	AA+	3.98%
Federal Home Loan Bank - Floating rate	AA+	5.41%
Federal Farm Credit Bank	AA+	5.42%
Federal Home Loan Mortgage Corporation - Floating rate	AA+	0.50%
Federal National Mortgage Association	AA+	5.07%
Corporate Bonds		
Corporate Bonds	AA+	0.27%
Corporate Bonds	AA	0.76%
Corporate Bonds	AA-	0.10%
Corporate Bonds	A+	1.47%
Corporate Bonds	A	3.83%
Corporate Bonds	A-	2.11%
Corporate Bonds	BBB+	1.34%
Corporate Bonds - Floating Rate Securities	A1	0.21%
Corporate Bonds - Floating Rate Securities	A-	0.31%
Asset Backed Securities	AAA	1.23%
Municipal Bonds	AAA	0.14%
Municipal Bonds	AA+	0.15%
Municipal Bonds	AA	0.07%
Municipal Bonds	AA-	0.11%
Money Market Funds	AAA	0.53%
Local Agency Investment Fund	Not rated	0.36%
California Asset Management Program	AAA	2.52%
Commercial Paper	A1+	2.27%
Commercial Paper	A1	2.14%
Total		100.00%

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

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements**  
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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, 2022, the investment pool has more than 5% of its total investments with the following issuer: 14.96% in Federal Home Loan Bank, 5.42% in Federal Farm Credit Bank, 5.07% in Federal National Mortgage Association, and 10.13% in U.S. Instrumentalities (7.87% in International Bank for Reconstruction and Development and 2.26% in Inter-American Development Bank).

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

The County's investment pool is invested in the State of California Local Agency Investment Fund (LAIF), which is part of the State of California Pooled Money Investment Account (PMIA). As of June 30, 2022, the PMIA balance was \$234.5 billion, of which 1.14% is in structured notes and medium-term asset backed securities, and 0.74% in short-term asset-backed commercial paper. The total amount invested by all public agencies in LAIF was \$35.8 billion, while the County's investment in LAIF was \$25.0 million and HPSM's investment in LAIF was \$72.3 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 311 days as of June 30, 2022. The Local Investment Advisory Board, which consisted of five members designated by State statutes, has oversight responsibility for LAIF.

The County's investment pool also invests in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its participants to invest certain proceeds of debt issues and surplus funds. CAMP is directed by a Board of Trustees that consists of the governing body, officers, or full-time employees of California public agencies. The County reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool shares. CAMP had a weighted average maturity of 28 days at June 30, 2022.

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

Below is the condensed statement of the investment pool as of June 30, 2022:

**Statement of Net Position**

<b>Assets:</b>	
Negotiable certificates of deposit	\$ 420,845
U.S. treasury notes	2,298,748
U.S. treasury bills	59,686
U.S. government agency securities	1,668,974
U.S. government agency securities - floating rate	410,415
U.S. instrumentalities	703,398
Corporate bonds	700,809
Corporate bonds - floating rate	21,698
Municipal bonds	32,818
Money market funds	36,781
Local Agency Investment Fund	25,000
California Asset Management Program	175,000
Commercial paper	306,544
Asset backed securities	85,379
Total investments	6,946,095
Other assets	21,402
Pool deposits	35,923
Total assets	7,003,420
<b>Liabilities:</b>	
Unfunded checks and warrants	96,503
Other liabilities	13,645
Total liabilities	110,148
<b>Net Position:</b>	
Equity of internal pool participants	3,285,473
Equity of external pool participants	3,607,799
Total net position	\$ 6,893,272

**Statement of Changes in Net Position**

Net position at July 1, 2021	\$ 6,665,669
Net change in investments by pool participants	227,603
Net position at June 30, 2022	\$ 6,893,272

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

Participant units outstanding (one dollar par value)	\$ 7,021,427
Undistributed and unrealized gain	(128,155)
Net position at June 30, 2022	\$ 6,893,272

Participant net position at fair value price per share (\$6,893,272 divided by 7,021,427 units)	\$ 0.9817
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**COUNTY OF SAN MATEO**  
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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, 2022, the JPFA's investment portfolio had a weighted average maturity of 0.6 years.

*Credit Risk.* The JPFA's bond trust agreements include provisions which restrict the JPFA's investment in (a) money market mutual funds rated "AAm" or "AAM-G" by 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, 2022, the JPFA's money market mutual fund was rated "AAA" by Standard & Poor's, "Aaa-mf" by Moody's Investors Service, and "AAAmmf" 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, "Aaa" by Moody's Investors Service, and "AAA" 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, 2022, the JPFA has \$0.9 million, or 0.4%, of its total investments in repurchase agreements with the Hong Kong and Shanghai Banking Corporation; and \$4 million, or 1.8%, in U.S. Treasury Notes.

**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.

*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, 2022, \$162.8 million of cash was held in a pooled short-term investment fund with the Northern Trust Corporation and \$14.2 million in the County's investment pool. Cash held by investment managers at year end amounted to \$60.5 million, which is swept daily into a pooled short-term investment fund. The deposits are not exposed to custodial credit risk as they are eligible and covered by insurance in accordance with applicable law and Federal Deposit Insurance Corporation rules and regulations. However, \$1.9 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 thirteen external investment pools and three 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	2.3%	6.1%
AA	2.0%	2.5%
A	6.9%	3.8%
BBB	17.9%	10.0%
Less than B	0.8%	25.9%
Not rated	70.1%	51.7%
	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, 2022, SamCERA had no investments that were exposed to custodial credit risk.

*Concentration of Credit Risk.* SamCERA's investment policy has no general policy on the concentration of credit risk. As of June 30, 2022, SamCERA does not have investments in a single issuer with five percent or more of SamCERA's fiduciary net position.

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

The table below indicates the magnitude of risk for each foreign currency denominated in U.S. dollars as of June 30, 2022. Foreign investments held within commingled fund vehicles are excluded from the table below.

Foreign Currency	Common Stock	Preferred Stock	Partnerships	Foreign Currency	Variation Margin	Total
Australian Dollar	\$ 9,945	\$ -	\$ -	\$ -	\$ -	\$ 9,945
Brazilian Real	2,946	-	-	-	-	2,946
Canadian Dollar	-	-	-	-	331	331
Swiss Franc	16,937	-	-	-	-	16,937
HK Offshore Chinese Yuan Renminbi	8,664	-	-	-	-	8,664
Danish Krone	1,433	-	-	-	-	1,433
Euro	119,393	5,481	16,395	-	-	141,269
British Pound Sterling	86,961	-	-	72	-	87,033
Hong Kong Dollar	42,333	-	-	27	-	42,360
Indian Rupee	14,493	-	-	-	-	14,493
Japanese Yen	124,500	-	-	247	-	124,747
South Korea Won	2,329	-	-	-	-	2,329
Mexican Peso	1,958	-	-	-	-	1,958
Swedish Krona	20,857	-	-	-	-	20,857
Singapore Dollar	14,695	-	-	-	-	14,695
Total	\$ 467,444	\$ 5,481	\$ 16,395	\$ 346	\$ 331	\$ 489,997

**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, 2022, derivatives held an aggregate notional amount of \$338.6 million and a fair value of \$2.3 million are reported in the statement of fiduciary net position as part of the cash management overlay and inflation hedge. Changes in fair value during FY 2022 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.

**COUNTY OF SAN MATEO**  
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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, 2022</u>	<u>Notional Value</u>	Fair Value	
		<u>(Level 1)</u>	<u>(Level 2)</u>
Interest rate contracts - short	\$ 22,843	\$ -	\$ 170
Interest rate contracts - long	25,827	-	225
Foreign exchange contracts - short	349,909	-	1,429
Foreign exchange contracts - long	2,331	-	4
Equity contracts - long	<u>(62,285)</u>	<u>437</u>	<u>-</u>
Total	<u>\$ 338,625</u>	<u>\$ 437</u>	<u>\$ 1,828</u>

*Interest Rate Risk - Derivatives.* SamCERA's investments in interest rate derivatives are highly sensitive to changes in interest rates. The investment maturities for most of the investments in the table above are 3 months or less. The investment maturity for \$13 million of investments in derivatives is 3-6 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, 2022, 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, 2022, 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, 2022, the fair value of securities on loan reported and the total collateral held amounted to \$8.9 million and \$9.1 million (with \$4.1 million in cash collateral and \$5 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.

**COUNTY OF SAN MATEO**  
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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, 2022, the Fund had an interest sensitivity of 19 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, 2022, include the following:

<b>Investments</b>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Negotiable certificates of deposit	\$ 420,845	\$ -	\$ 420,845
U.S. treasury notes	2,302,794	-	2,302,794
U.S. treasury bills	59,686	-	59,686
U.S. government agency securities	1,673,714	-	1,673,714
U.S. government agency securities - floating rate	410,415	-	410,415
U.S. instrumentalities	703,398	-	703,398
Corporate bonds	856,888	-	856,888
Corporate bonds - floating rate	21,698	-	21,698
Government bonds	213,920	-	213,920
Municipal bonds	37,286	-	37,286
Money market funds	36,781	36,781	-
Commercial paper	306,544	-	306,544
Repurchase agreements	938	-	938
Asset backed securities	143,968	-	143,968
Mutual funds	158,661	-	158,661
Collateral from securities lending	4,121	4,121	-
Collateral bonds	459	-	459
Collateral mortgage obligations	5,440	-	5,440
Commercial mortgage-backed	40,410	-	40,410
Government commercial mortgage-backed	8,942	-	8,942
Government mortgage-backed securities	165,344	-	165,344
Equity securities:			
Foreign stocks	505,865	505,865	-
U.S. common & preferred stock	541,507	541,507	-
Commingled funds:			
Domestic bond	181,748	-	181,748
Domestic equity	446,757	-	446,757
International equity	315,410	-	315,410
Liquid pool	348,875	-	348,875
Total investments subject to fair value hierarchy	9,912,414	\$ 1,088,274	\$ 8,824,140
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	99,520		
California Asset Management Program	175,000		
	274,520		
Investments measured at the net asset value (NAV)			
Domestic bond funds	472,828		
Global bond funds	52,699		
Domestic equity funds	158,358		
International equity funds	98,096		
Real estate funds	537,472		
Absolute return/hedge funds	432,734		
Private equity funds	375,174		
Private real asset funds	219,292		
Total investments measured at NAV	2,346,653		
Total investments	\$ 12,533,587		

**COUNTY OF SAN MATEO**  
**Notes to the Basic Financial Statements**  
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<u>Investments measured at NAV</u>	<u>6/30/2022</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Domestic bond funds <sup>(1)</sup>	\$ 472,829	\$ 40,179	Not eligible	Not applicable
Global bond funds <sup>(1)</sup>	52,699	-	Monthly	15 days
Domestic equity funds <sup>(1)</sup>	158,358	-	Monthly	10 days
International equity funds <sup>(1)</sup>	98,096	-	Monthly	10 days
Real estate funds <sup>(2)</sup>	537,472	110,207	Quarterly, not eligible	45 days, not applicable
Hedge funds/absolute return <sup>(3)</sup>	432,734	-	Monthly	30 days
Private equity funds <sup>(4)</sup>	375,174	228,358	Not eligible	Not applicable
Private real asset funds <sup>(4)</sup>	219,292	165,829	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 2,346,654</u>	<u>\$ 544,573</u>		

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

<sup>(2)</sup> *Real Estate Funds.* This type includes 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, one is subject to an initial 3-year lock-up with quarterly liquidity thereafter while the other four are ineligible for redemption.

<sup>(3)</sup> *Hedge Funds/Absolute Return.* This strategy consists of five multi-strategy absolute return/hedge 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.

<sup>(4)</sup> *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 assets values one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments with the funds are liquidated, which on average can occur over the span of 5 to 10 years.

**COUNTY OF SAN MATEO**  
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**NOTE 5 – RECEIVABLES**

As of June 30, 2022, 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 \$239.8 million, of which about \$182.3 million is not expected to be collected within the next twelve months.

<b>Governmental Activities</b>	General Fund	JPFA	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 228,892	\$ -	\$ 264	\$ 772	\$ 229,928
Interest	28,007	371	790	181	29,349
Taxes	49,781	-	1,407	-	51,188
Mortgages	168,000	-	-	-	168,000
Other	17,701	-	-	-	17,701
Gross receivables	492,381	371	2,461	953	496,166
Less: allowances for uncollectibles	(252,589)	-	(757)	-	(253,346)
Total receivables, net	<u>\$ 239,792</u>	<u>\$ 371</u>	<u>\$ 1,704</u>	<u>\$ 953</u>	<u>\$ 242,820</u>

<b>Business-type Activities</b>	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 104,984	\$ 31	\$ 118	\$ 105,133
Interest	1,014	67	23	1,104
Other	6,468	-	-	6,468
Gross receivables	112,466	98	141	112,705
Less: allowances for uncollectibles	(79,600)	-	(39)	(79,639)
Total receivables, net	<u>\$ 32,866</u>	<u>\$ 98</u>	<u>\$ 102</u>	<u>\$ 33,066</u>

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

As of June 30, 2022, the Housing Authority has a total notes receivable of \$33 million of which is not expected to be collected within the next twelve months.

**COUNTY OF SAN MATEO**  
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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, 2022, 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>
<b>General Fund</b>			
Property taxes	\$ 1,767	\$ 17,423	\$ 19,190
Intergovernmental revenues	66,613	190,152	256,765
Mortgage and related interest	165,932	-	165,932
Excess ERAF	110,513	-	110,513
VLF Shortfall	19,492	-	19,492
SB 90 mandated costs	1,560	-	1,560
Others	5,653	10,970	16,623
	<u>371,530</u>	<u>218,545</u>	<u>590,075</u>
<b>Other Governmental Funds</b>			
Property taxes	70	688	758
Intergovernmental revenues	2,877	44	2,921
Excess ERAF	772	-	772
	<u>3,719</u>	<u>732</u>	<u>4,451</u>
<b>Total Governmental Activities</b>	<u>\$ 375,249</u>	<u>\$ 219,277</u>	<u>\$ 594,526</u>
<b>Business-type Activities</b>			
San Mateo Medical Center		\$ 1,354	\$ 1,354
Housing Authority		258	258
Other Enterprise Funds		16	16
<b>Total Business-type Activities</b>		<u>\$ 1,628</u>	<u>\$ 1,628</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, 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	JPFA	\$ 87
	Other Governmental Funds	3,323
	Medical Center	6,418
	Other Enterprise Funds	14
	Internal Service Funds	398
		<u>10,240</u>
Other Governmental Funds	General Fund	1,482
	Other Governmental Funds	19
	Medical Center	55
		<u>1,556</u>
Medical Center	General Fund	<u>502</u>
Other Enterprise Funds	General Fund	<u>9</u>
Internal Service Funds	General Fund	93
	Other Governmental Funds	27
	Medical Center	3
	Other Enterprise Funds	1
	Internal Service Funds	2
		<u>126</u>
	Total	<u>\$ 12,433</u>

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

Advances from the General Fund are comprised of the following as of June 30, 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,707
	Medical Center	944
	Internal Service Funds	785
	Total	<u>\$ 7,436</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.
- \$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	\$ 58,097	Provide subsidy to support indigent healthcare as budgeted.
Medical Center	Other Governmental Funds	9,807	Transfer funds to cover debt service payments.
	Total	<u>\$ 67,904</u>	

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 30,150	Provide funds to finance County capital projects.
	Other Governmental Funds	29,553	Transfer funds to cover debt service payments.
	Other Governmental Funds	3,702	Contribute funds to support in-home supportive services.
	Subtotal	<u>63,405</u>	
General Fund	Internal Service Funds	4,516	Provide subsidy to cover shortfall.
Other Governmental Funds	General Fund	57	Transfer funds to support capital projects.
	General Fund	61	Reimburse for salary and benefits
	General Fund	11,026	Transfer funds to support San Mateo County Fire program.
	General Fund	17,478	Provide funds to finance County capital projects.
	Subtotal	<u>28,622</u>	
Other Governmental Funds	Other Governmental Funds	46,123	Transfer funds to finance capital improvements.
	Other Governmental Funds	1,163	Transfer funds to cover debt service payments.
	Subtotal	<u>47,286</u>	
Other Governmental Funds	JPFA	39,252	Transfer funds to cover debt service payments.
Internal Service Funds	General Fund	19	Provide funds to support Sheriff's driver's training program.
Internal Service Funds	Other Governmental Funds	17	Transfer funds to finance capital projects.
	Total	<u>\$ 183,117</u>	

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

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**NOTE 8 – CAPITAL ASSETS / LEASES**

Capital asset activities for the fiscal year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2022
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 102,115	\$ 2,248	\$ -	\$ 3,730	\$ 108,093
Infrastructure - maintained road subsystem	96,952	-	-	-	96,952
Construction in progress	210,191	168,601	-	(75,274)	303,518
Total capital assets, not being depreciated	409,258	170,849	-	(71,544)	508,563
<i>Capital assets, being depreciated:</i>					
Infrastructure	74,238	-	-	4,080	78,318
Structures and improvements	1,012,142	-	-	63,226	1,075,368
Equipment	124,529	7,121	(3,760)	-	127,890
Software	22,760	10	-	2,235	25,005
Total capital assets, being depreciated	1,233,669	7,131	(3,760)	69,541	1,306,581
<i>Less accumulated depreciation for:</i>					
Infrastructure	(31,352)	(1,816)	-	-	(33,168)
Structures and improvements	(280,888)	(20,916)	-	2,003	(299,801)
Equipment	(99,397)	(8,525)	3,736	-	(104,186)
Software	(19,789)	(1,499)	-	-	(21,288)
Total accumulated depreciation	(431,426)	(32,756)	3,736	2,003	(458,443)
Total capital assets, being depreciated, net	802,243	(25,625)	(24)	71,544	848,138
<b>Governmental activities capital assets, net</b>	<b>\$ 1,211,501</b>	<b>\$ 145,224</b>	<b>\$ (24)</b>	<b>\$ -</b>	<b>\$ 1,356,701</b>
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,989	\$ -	\$ -	\$ -	\$ 14,989
Construction in progress	6,332	7,088	(236)	(4,352)	8,832
Total capital assets, not being depreciated	21,321	7,088	(236)	(4,352)	23,821
<i>Capital assets, being depreciated:</i>					
Structures and improvements	95,050	-	-	1,973	97,023
Equipment	26,199	198	(763)	1,086	26,720
Software	18,881	-	-	1,293	20,174
Total capital assets, being depreciated	140,130	198	(763)	4,352	143,917
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(46,098)	(2,058)	-	-	(48,156)
Equipment	(14,542)	(2,033)	599	-	(15,976)
Software	(16,212)	(587)	-	-	(16,799)
Total accumulated depreciation	(76,852)	(4,678)	599	-	(80,931)
Total capital assets, being depreciated, net	63,278	(4,480)	(164)	4,352	62,986
<b>Business-type activities capital assets, net</b>	<b>\$ 84,599</b>	<b>\$ 2,608</b>	<b>\$ (400)</b>	<b>\$ -</b>	<b>\$ 86,807</b>

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**Depreciation**

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

<u><b>Governmental Activities</b></u>	
General government	\$ 7,245
Public protection	12,929
Public ways and facilities	1,414
Health and sanitation	3,495
Public assistance	2,736
Recreation	2,000
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets.	2,937
Total depreciation - governmental activities	<u>\$ 32,756</u>
<u><b>Business-type Activities</b></u>	
Medical Center	\$ 3,146
Housing Authority	563
Airports	655
Coyote Point Marina	314
Total depreciation - business-type activities	<u>\$ 4,678</u>

**Capital Project Commitments**

The County had four major capital projects underway in FY 2021-22 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 late 2023. The estimated project cost is \$230 million. The total cost incurred during FY 2021-22 is \$68.5 million.

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

The San Mateo County Health System Campus consists of the San Mateo Medical Center and Health Services departments. The San Mateo Health System Campus Upgrade Project is a complex project comprised of: (1) demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Tower and the Central Plant to accommodate essential Office of Statewide Health Planning Development (OSHPD) functions; and (3) construction of a new 70,000 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 first quarter of 2025. The estimated project cost is \$227 million. The total cost incurred during FY 2021-22 is \$29.4 million.

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*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 fourth quarter of 2024. The estimated project cost is \$160 million. The total cost incurred during FY 2021-22 is \$30.8 million.

*San Mateo County Navigation Center*

The San Mateo County Navigation Center (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 innovative and fast-moving project, which will utilize prefabricated modular units, broke ground April 2022 and is slated for completion January 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 2021-22 is \$12.8 million.

**Health Plan of San Mateo**

Capital asset activities of the Health Plan of San Mateo for the fiscal year ended June 30, 2022, are as follows:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021
<b>Component Unit</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 15,668	\$ -	\$ -	\$ 15,668
<i>Capital assets, being depreciated:</i>				
Building	31,810	-	-	31,810
Building improvements	23,028	59	-	23,087
Furniture and equipment	14,272	124	-	14,396
Total capital assets, being depreciated	69,110	183	-	69,293
<i>Less accumulated depreciation and amortization for:</i>	(19,817)	(2,262)	-	(22,079)
Total capital assets, being depreciated, net	49,293	(2,079)	-	47,214
<b>Component unit capital assets, net</b>	\$ 64,961	\$ (2,079)	\$ -	\$ 62,882

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Leased asset activities for the fiscal year ended June 30, 2022, are as follows:

	(Restated) Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
<b>Governmental activities</b>				
<i>Leased assets, being amortized:</i>				
Buildings	\$ 35,947	\$ 36,920	\$ -	\$ 72,867
Equipment	30	-	-	30
Total leased assets, being amortized	<u>35,977</u>	<u>36,920</u>	<u>-</u>	<u>72,897</u>
<i>Less accumulated amortization for:</i>				
Buildings	-	(11,361)	-	(11,361)
Equipment	-	(17)	-	(17)
Total leased assets, being amortized, net	<u>-</u>	<u>(11,378)</u>	<u>-</u>	<u>(11,378)</u>
<b>Governmental activities leased assets, net</b>	<u>\$ 35,977</u>	<u>\$ 25,542</u>	<u>\$ -</u>	<u>\$ 61,519</u>
	(Restated) Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
<b>Business-type activities</b>				
<i>Leased assets, being amortized:</i>				
Buildings	\$ 36,135	\$ -	\$ -	\$ 36,135
Equipment	194	-	-	194
Total leased assets, being amortized	<u>36,329</u>	<u>-</u>	<u>-</u>	<u>36,329</u>
<i>Less accumulated amortization for:</i>				
Buildings	-	(2,486)	-	(2,486)
Equipment	-	(117)	-	(117)
Total leased assets, being amortized, net	<u>-</u>	<u>(2,603)</u>	<u>-</u>	<u>(2,603)</u>
<b>Business-type activities leased assets, net</b>	<u>\$ 36,329</u>	<u>\$ (2,603)</u>	<u>\$ -</u>	<u>\$ 33,726</u>

**Amortization**

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

<b><u>Governmental Activities</u></b>	
General government	\$ 773
Public protection	891
Health and sanitation	3,687
Public assistance	<u>6,027</u>
Total amortization - governmental activities	<u>\$ 11,378</u>
<b><u>Business-type Activities</u></b>	
Medical Center	\$ 2,173
Housing Authority	430
Total amortization - business-type activities	<u>\$ 2,603</u>

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**NOTE 9 – LONG-TERM LIABILITIES**

The County's long-term liabilities as of June 30, 2022, are as follows:

Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2022
<b><u>Governmental Activities</u></b>					
<b>Lease Revenue Bonds:</b>					
<b><u>1993 Issue - Satellite Clinic</u></b>					
Purpose: To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.					
Serial Capital Appreciation Bonds	9/1/22 - 9/1/26	5.95% - 6%	\$188 - \$204	\$ 2,085	\$ 981
Accreted interest on capital appreciation bonds				8,941	4,173
1993 Issue - Satellite Clinic				<u>11,026</u>	<u>5,154</u>
<b><u>2013 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, (i) to redeem outstanding 1997, 1999, and 2001 Bonds, (ii) to finance certain capital improvements, and (iii) to pay costs of issuance of the 2013 Bonds.					
Serial Current Interest Bonds	7/15/22 - 7/15/32	4.25% - 5.25%	\$610 - \$10,320	40,065	31,635
<b><u>2014 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, (i) to finance the acquisition, construction and equipping of the Maple Street Correctional Center, (ii) to refund all of the outstanding notes previously issued by the County in FY 2013-14, the proceeds of which were used to reimburse the County for the purchase price of the jail project site, (iii) to pay capitalized interest on the 2014 Bonds through May 30, 2016, (iv) to provide the Reserve Account Requirement, and (v) pay issuance costs of the 2014 Bonds.					
Serial Current Interest Bonds	6/15/23 - 6/15/31	3% - 5%	\$5,675 - \$9,185	157,895	68,795
Term Interest Bonds	6/15/32 - 6/15/35	4%	\$2,500 - \$5,010	15,145	15,145
Term Interest Bonds	6/15/36 - 6/15/37	4%	\$495 - \$1,530	2,025	2,025
2014 Issue				<u>175,065</u>	<u>85,965</u>
<b><u>2016 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to refund the outstanding 2008 Bonds, to pay costs of issuance of the 2016 Bonds, and to pay costs relating to the refunding of the 2008 Bonds.					
Serial Current Interest Bonds	7/15/22 - 7/15/36	3% - 5%	\$4,020 - \$7,620	107,600	86,430
<b><u>2018 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.					
Serial Bonds	7/15/22 - 7/15/38	5%	\$1,230 - \$6,890	64,560	63,385
Serial Bonds, Insured	7/15/33 - 7/15/35	5%	\$4,800 - \$5,200	15,000	15,000
Term Bonds	7/15/39 - 7/15/43	5%	\$7,230 - \$8,790	39,955	39,955
Term Bonds	7/15/44 - 7/15/52	4%	\$4,995 - \$6,875	53,125	53,125
Term Bonds	7/15/44 - 7/15/52	4.25%	\$4,235 - \$5,865	45,000	45,000
2018 Issue				<u>217,640</u>	<u>216,465</u>
<b><u>2019 Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/22 - 7/15/26	5%	\$7,045 - \$8,290	45,170	38,125
<b><u>2021A Issue</u></b>					
Purpose: To provide funds, together with other available moneys, to (i) finance the reconstruction and equipping of the Cordilleras Mental Health Center, (ii) pay capitalized interest through June 15, 2024, and (iii) pay costs of issuance.					
Serial Bonds	6/15/27 - 6/15/41	3% - 5%	\$750 - \$5,405	58,295	58,295
Term Bonds	6/15/42 - 6/15/46	3%	\$5,620 - \$6,325	29,845	29,845
Term Bonds	6/15/47 - 6/15/55	2.50%	\$6,515 - \$7,940	64,865	64,865
				<u>153,005</u>	<u>153,005</u>
<b>Total governmental activities</b>				<u>\$ 749,571</u>	<u>\$ 616,779</u>

(Continued)

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Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2022
<b>Business-type Activities</b>					
<b>Notes Payable:</b>					
<b>Coyote Point Marina</b>					
Department of Boating and Waterways	8/1/22 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 319
Dock 29 loan	8/1/22 - 8/1/45	4.5%	\$39 - \$114	1,919	1,709
<b>Housing Authority</b>					
California Housing Finance Agency	5/20/57	0.00%	-	49	31
<b>Total business-type activities</b>				<b>\$ 4,282</b>	<b>\$ 2,059</b>

The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2022.

	(Restated) Balance July 1, 2021	Additions/ Accretions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Lease revenue bonds	\$ 640,119	\$ -	\$ (27,514)	\$ 612,605	\$ 22,674
Accreted interest on capital appreciation bonds	4,703	337	(866)	4,174	911
Add: unamortized premium	63,798	-	(3,527)	60,271	3,527
Lease revenue bonds, net	<u>708,620</u>	<u>337</u>	<u>(31,907)</u>	<u>677,050</u>	<u>27,112</u>
Leases payable	35,977	36,920	(10,324)	62,573	12,896
Other long-term obligations	4,098	-	(154)	3,944	157
Estimated claims	55,337	23,274	(20,463)	58,148	20,856
Compensated absences	77,434	38,708	(43,506)	72,636	45,186
<b>Total Governmental Activities</b>	<u>\$ 881,466</u>	<u>\$ 99,239</u>	<u>\$ (106,354)</u>	<u>\$ 874,351</u>	<u>\$ 106,207</u>
<b>Business-type Activities:</b>					
<b>San Mateo Medical Center</b>					
Leases payable	\$ 35,056	\$ -	\$ (1,227)	\$ 33,829	\$ 1,252
Compensated absences	16,336	9,996	(11,243)	15,089	11,799
Other long-term obligations	890	-	-	890	-
	<u>52,282</u>	<u>9,996</u>	<u>(12,470)</u>	<u>49,808</u>	<u>13,051</u>
<b>Housing Authority</b>					
Notes payable	32	-	(1)	31	1
Compensated absences	644	474	(462)	656	419
Leases payable	1,273	-	(409)	864	430
Other long-term obligations	697	208	-	905	-
	<u>2,646</u>	<u>682</u>	<u>(872)</u>	<u>2,456</u>	<u>850</u>
<b>Other Enterprise Funds</b>					
Notes payable	2,103	-	(75)	2,028	79
Compensated absences	199	127	(124)	202	130
	<u>2,302</u>	<u>127</u>	<u>(199)</u>	<u>2,230</u>	<u>209</u>
<b>Total Business-type Activities</b>	<u>\$ 57,230</u>	<u>\$ 10,806</u>	<u>\$ (13,541)</u>	<u>\$ 54,494</u>	<u>\$ 14,110</u>

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

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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 \$969.5 million payable through June 15, 2055. For the current year, debt service expenditures for principal and interest totaled \$27.5 million and \$26.9 million, respectively.

- *Notes payable* under business-type activities are funded separately by respective enterprise funds.
- *Other long-term obligations* are financed by the General Fund, including the Los Trancos County Water District, and the State Water Resources Control Board, and enterprise funds (Medical Center and Housing Authority).
- *Estimated claims* are liquidated by charges for services collected through individual internal service funds and reserves of the Housing Authority.
- *Compensated absences* are financed by governmental funds (General Fund and individual special revenue funds) and enterprise funds (Medical Center, Housing Authority, Airports, and Coyote Point Marina) that are responsible for the charges.
- *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 payable* are recorded based on lease agreements as the County is a lessee for the acquisition and use of buildings and equipment. The building leases are utilizing an interest rate of 2.5%, equipment leases have an interest rate of 1.23%. Total lease payments expected to be paid for governmental and enterprise funds is \$112.7 million payable through May 2043, and \$0.3 million payable through October 2025 for First 5. For the current year, lease principal and interest payments for governmental and enterprise funds totaled \$12 million and \$2.1 million, respectively, and \$84 thousand and \$4 thousand, respectively for First 5.

Annual debt service requirements for the governmental activities as of June 30, 2022, are summarized as follows:

Fiscal Year Ending June 30,	Principal	Interest Accretion	Interest
2023	\$ 22,674	\$ 911	\$ 25,958
2024	24,785	960	24,773
2025	25,091	1,009	23,529
2026	25,787	1,063	22,257
2027	25,608	1,118	20,990
2028-2032	123,540	-	85,681
2033-2037	98,335	-	59,999
2038-2042	62,410	-	43,707
2043-2047	76,745	-	29,259
2048-2052	91,650	-	14,206
2053-2055	35,979	-	1,434
Total requirements	612,605	5,060	351,793
Less: unaccreted interest	-	(887)	-
Total	<u>\$ 612,605</u>	<u>\$ 4,174</u>	<u>\$ 351,793</u>

Lease revenue bonds are secured by revenues from the installment payments payable by the County. Events of default include nonpayment of interest on and the principal of the outstanding bonds when due and payable, the JPFA filing for bankruptcy, and the failure to observe any covenant or provision of bond indentures for a period of 30 days, with the exception of the 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

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National Association, may, upon written request of a majority of bondholders in aggregate principal amount and accreted value of the outstanding bonds, or at the direction of the bond insurer, declare the principal and accreted value of and the interest on all outstanding bonds to be due and payable immediately.

Annual lease payments for the governmental activities, business-type activities, and First 5 as of June 30, 2022, are summarized as follows:

<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>First 5 San Mateo County</u>		
Fiscal Year			Fiscal Year			Fiscal Year		
Ending June 30,	Principal	Interest	Ending June 30,	Principal	Interest	Ending June 30,	Principal	Interest
2023	\$ 12,896	\$ 1,359	2023	\$ 1,682	\$ 836	2023	\$ 85	\$ 3
2024	11,562	1,056	2024	1,879	797	2024	85	2
2025	7,204	838	2025	1,502	756	2025	85	1
2026	6,315	676	2026	1,409	719	2026	30	-
2027	4,903	546	2027	943	691	Total	<u>\$ 285</u>	<u>\$ 6</u>
2028-2032	19,693	937	2028-2032	5,872	3,050			
Total	<u>\$ 62,573</u>	<u>\$ 5,412</u>	2033-2037	8,167	2,177			
			2038-2042	11,007	984			
			2043	2,232	23			
			Total	<u>\$ 34,693</u>	<u>\$ 10,033</u>			

Annual debt service requirements for the business-type activities notes payable as of June 30, 2022, are summarized as follows:

<u>Coyote Point Marina</u>			<u>Housing Authority</u>	
Fiscal Year Ending	Principal	Interest	Fiscal Year	Principal
June 30,			Ending June 30,	
2023	\$ 79	\$ 95	2022	\$ 1
2024	82	91	2023	-
2025	86	88	2024	-
2026	90	83	2025	-
2027	94	79	2026	-
2028-2032	388	332	2027-2031	-
2033-2037	348	248	2032-2036	-
2038-2042	435	160	2037-2041	-
2043-2046	426	50	2042-2046	-
Total requirements *	<u>\$ 2,028</u>	<u>\$ 1,226</u>	2047-2051	-
			2052-2056	-
			2057	30
			Total	<u>\$ 31</u>

The County was awarded a \$2.1 million loan for plans, permits, environmental review, and construction of Dock 29. Under this loan agreement, the State Department of Boating and Waterways reimburses the County for the amount expended on the Dock 29 project. As of June 30, 2022, the total principal due to the State is \$1,709.

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**Legal Debt Service Limit**

The County's annual legal debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years, and shall be for non-voter approved debt that is the obligation of the County. The County's legal debt service limit was \$130.5 million for the fiscal year ended June 30, 2022.

**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, 2022, restricted net position for governmental activities was \$421.9 million as reported on the government-wide statement of net position, and approximately \$84.7 million of which was restricted by enabling legislation. Restricted net position for the Housing Authority (business-type activities) of \$1.8 million included the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. These funds are restricted by HUD as to use and must be approved before expending.
- *Unrestricted Net Position* represents net position of the County that is not restricted for any project or purpose.

**NOTE 11 – FUND BALANCES**

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

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	General Fund	Joint Powers Financing Authority	Other Governmental Funds
<b>Nonspendable:</b>			
Inventories	\$ 148	\$ -	\$ 364
Prepaid items	8,929	558	329
Long-term interfund advances	7,436	-	-
Long-term receivables	21,024	-	-
Total nonspendable	<u>37,537</u>	<u>558</u>	<u>693</u>
<b>Restricted:</b>			
American rescue plan act funds	304	-	-
Behavioral health services	323	-	-
Recall election	608	-	-
Transportation	420	-	-
Health realignment	6,795	-	-
Calworks	178	-	-
Social services realignment	92,227	-	-
Medi-Cal	35,439	-	-
Health services programs	11,531	-	-
California assistance program for immigrants	17,838	-	-
Wraparound program	10,876	-	-
Homeless emergency aid program	162	-	-
Homeless housing assistance program	6,863	-	-
Other social services programs	3,519	-	-
Debt service	-	215,744	30,666
Road improvement	-	-	35,731
Fire services	-	-	7,700
Sewer maintenance	-	-	26,526
Lighting maintenance	-	-	21,452
Highway and transportation improvement	-	-	14,155
Waste management	-	-	6,960
Emergency care	-	-	1,761
Water services	-	-	14,101
Others	-	-	2,389
Total restricted	<u>187,083</u>	<u>215,744</u>	<u>161,441</u>
<b>Assigned:</b>			
Election software system	165	-	-
Capital projects and improvements	3,071	-	132,426
Public services	3,043	-	951
Total assigned	<u>6,279</u>	<u>-</u>	<u>133,377</u>
Unassigned	1,561,862	-	-
Total fund balances	<u>\$ 1,792,761</u>	<u>\$ 216,302</u>	<u>\$ 295,511</u>

**General Fund Departmental Reserve Requirements**

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

Departments must obtain approval from the County Executive prior to using reserves that will reduce the reserve below the two percent requirement. Excess fund balance at year end must first be used to replenish the minimum reserve requirement. Departments that are unable to demonstrate progress towards achieving the two percent requirement will be subject to enhanced fiscal oversight. Fund balance in excess of two percent minimum departmental reserves can only be allocated to the following: one-time purposes, purchase of capital assets, sinking fund for future 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.

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**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.

**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.

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- Enterprise Funds and Special Revenue Funds should generate revenue sufficient, as a goal, to support the full operating costs of these funds above and beyond General Fund subsidy or contribution levels approved by the County Board.

**NOTE 12 – EMPLOYEES’ RETIREMENT PLANS**

**San Mateo County Employees’ Retirement Association**

***(a) Plan Description***

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

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

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

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

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

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	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>	
Plan 1*	Hire date	On or before 7/5/80	On or before 7/5/80	On or before 7/5/80
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	5%	3%	5%
	FAC period**	Highest 1 year	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 2*	Hire date	7/6/80 - 7/12/97	7/6/80 - 7/12/97	7/6/80 - 7/12/97
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	3%	3%	3%
	FAC period	Highest 1 year	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 3*	Hire date	On or before 12/22/12, a non-contributory plan.	Not applicable	Not applicable
		(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 (Note: Plan 4 closed simultaneously with the implementation of Plans 5 and 6.)		
	2%@55.5	3%@50	3%@50
	2%	2%	2%
	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 5	Hire date 8/7/11 - 12/31/12 (Note: General Plan 5 members after 10 years of service can elect to transfer to Plan 4 and must pay the total actuarial equivalent cost of the increase in past service benefits at the date of transfer.)		
	2%@61.25	3%@55	3%@55 <sup>(1)</sup>
	2%	2%	2%
	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
	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	Not applicable	7/10/11 - 12/31/12	1/8/12 - 12/31/12 <sup>(2)</sup>
	Not applicable	2%@50	2%@50
	Not applicable	2%	2%
	Not applicable	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
	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	On or after 1/1/13	On or after 1/1/13	On or after 1/1/13
	2%@62	2.7%@57	2.7%@57
	2%	2%	2%
	Highest 36 consecutive months	Highest 36 consecutive months	Highest 36 consecutive months
	Age 52 with 5 years of service.	Age 50 with 5 years of service.	Age 50 with 5 years of service.

<sup>(1)</sup> Plan 5 is available for all Safety and Probation members.

<sup>(2)</sup> 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, 2022 is displayed in the table below.

	Plan 1*	Plan 2*	Plan 3*	Plan 4*	Plan 5	Plan 7	Total
<b>RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS</b>							
General	1,173	2,250	126	1,167	30	38	4,784
Safety	253	267	-	164	6	2	692
Probation	89	122	-	91	-	1	303
Subtotal	<u>1,515</u>	<u>2,639</u>	<u>126</u>	<u>1,422</u>	<u>36</u>	<u>41</u>	<u>5,779</u>
<b>INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)</b>							
General	6	201	69	799	124	854	2,053
Safety	-	7	-	36	12	51	106
Probation	-	12	-	39	1	13	65
Subtotal	<u>6</u>	<u>220</u>	<u>69</u>	<u>874</u>	<u>137</u>	<u>918</u>	<u>2,224</u>
<b>CURRENT MEMBERS, VESTED</b>							
General	2	275	37	1,497	188	912	2,911
Safety	-	11	-	162	52	105	330
Probation	-	2	-	114	8	31	155
Subtotal	<u>2</u>	<u>288</u>	<u>37</u>	<u>1,773</u>	<u>248</u>	<u>1,048</u>	<u>3,396</u>
<b>CURRENT MEMBERS, NON-VESTED</b>							
General	-	-	3	4	72	1,613	1,692
Safety	-	-	-	-	12	134	146
Probation	-	-	-	-	-	15	15
Subtotal	<u>-</u>	<u>-</u>	<u>3</u>	<u>4</u>	<u>84</u>	<u>1,762</u>	<u>1,853</u>
Total Members	<u>1,523</u>	<u>3,147</u>	<u>235</u>	<u>4,073</u>	<u>505</u>	<u>3,769</u>	<u>13,252</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, 2022, 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 \$237.4 million and First 5 were \$0.3 million for the fiscal year ended June 30, 2022.

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

As of June 30, 2022, the County reported \$99.6 million for its proportionate share of the net pension liability, while First 5 reported \$0.3 million for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2021, 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, 2021. 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 92.76% as of the June 30, 2021 measurement date, which was a decrease of 1.83% from its share measured as of June 30, 2020.

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For the fiscal year ended June 30, 2022, the County recognized pension expense of \$122.9 million and First 5 recognized pension expense of \$0.2 million. The County reported \$237.4 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 fiscal year ended June 30, 2022.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-type Activities	First 5 San Mateo County
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	\$ 202,645	\$ 34,731	\$ 280
Changes of pension-related assumptions	173,677	32,801	259
Changes in proportionate share of net pension liability	318	60	-
Difference in actual and proportionate share of pension contributions	1,679	322	3
Differences between expected and actual pension experience	73,114	13,979	109
Total deferred outflows of resources	<u>\$ 451,433</u>	<u>\$ 81,893</u>	<u>\$ 651</u>

**DEFERRED INFLOWS OF RESOURCES**

Changes in proportionate share of net pension liability	\$ 110	\$ 20	\$ -
Differences between projected and actual earnings on pension investment	377,301	69,747	564
Total deferred inflows of resources	<u>\$ 377,411</u>	<u>\$ 69,767</u>	<u>\$ 564</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>First 5</u>
2023	\$ 19,132	\$ 4,197	\$ 28
2024	14,388	3,225	21
2025	(32,348)	(5,978)	(48)
2026	(129,795)	(24,049)	(194)

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**(c) Actuarial Assumptions**

The total pension liabilities in the June 30, 2021 actuarial valuation were determined using the information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2021
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, 2021, for details.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return</b>
Public Equity	41%	5.3%
Fixed Income	28%	0.7%
Alternatives	13%	3.9%
Inflation Hedge	17%	3.6%
Liquidity	1%	-1.0%
<b>Total</b>	<b>100%</b>	

*Discount Rate.* The investment rate of return assumption used to measure the total pension liability was 6.42% as of June 30, 2021, reduced from 6.67% in prior fiscal year. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA's funding policy and the legal requirements under the County Employees Retirement Law of 1937. In addition, the County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the unfunded actuarial accrued liability. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

*Sensitivity of the County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate.* The following presents net pension liability of the County, calculated using the discount rate of 6.42%, as well as what the

**COUNTY OF SAN MATEO**  
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County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.42%) or 1 percentage point higher (7.42%) than the current rate.

(Dollars in Millions)

	<b>Primary Government</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.42%</b>	<b>6.42%</b>	<b>7.42%</b>
Total pension liability	\$ 6,449.8	\$ 5,632.6	\$ 4,968.8
Fiduciary net position	5,533.0	5,533.0	5,533.0
Net pension liability	916.8	99.6	(564.2)

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>5.42%</b>	<b>6.42%</b>	<b>7.42%</b>
Total pension liability	\$ 18.5	\$ 16.2	\$ 14.3
Fiduciary net position	15.9	15.9	15.9
Net pension liability	2.6	0.3	(1.6)

*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 \$290 thousand for calendar year 2021. 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, 2022, the County contributed \$669 thousand into the Supplemental Retirement Plan.

**County of San Mateo Extra Help Agile 401a Plan**

The County maintains a qualified defined contribution plan for extra help employees. Employees are eligible upon employment at their discretion. Employer contributions are discretionary and are determined by the County on an annual basis. Employer matching contributions made by the County, including any earnings, vest over a 3-year period. During the fiscal year ended June 30, 2022, the County contributed \$1.1 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

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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 51 active participants as of June 30, 2022. During the fiscal year ended June 30, 2022, the Housing Authority contributed \$0.5 million to its retirement plan.

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

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

**Health Plan of San Mateo**

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

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

As of December 31, 2021, participant data for the Plan is as follows: 12 retired and beneficiaries, 49 inactive, and 293 active. The Plan does not issue a stand-alone financial report.

As of December 31, 2021, HPSM recognized pension expense of \$1.6 million and established \$2.4 million in net pension asset. Deferred outflows and deferred inflows of resources are reported as follows:

	Health Plan of San Mateo (December 31, 2021)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 19
Differences between expected and actual pension experience	1,794
Total deferred outflows of resources	\$ 1,813
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of pension-related assumptions	\$ 11
Differences between projected and actual earnings on pension investment	2,473
Total deferred inflows of resources	\$ 2,484

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

Year Ending December 31	HPSM
2022	\$ 10
2023	(645)
2024	(213)
2025	94
2026	79
Thereafter	4

The table below summarizes changes in the net pension (asset) liability for the fiscal year ended December 31, 2021:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension (Asset) Liability
Balance at December 31, 2020	\$ 27,271	\$ 28,734	\$ (1,463)
Changes during the year:			
Service cost	1,851	-	1,851
Interest	2,157	-	2,157
Differences between expected and actual experience	243	-	243
Changes of assumptions	-	-	-
Benefit payments	(745)	(745)	-
Employer contributions	-	1,949	(1,949)
Net investment income	-	3,212	(3,212)
Net changes	3,506	4,416	(910)
Balance at December 31, 2021	\$ 30,777	\$ 33,150	\$ (2,373)

Actuarial assumptions used by HPSM as of December 31, 2021:

Valuation date	12/31/2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed amortization
Asset valuation method	Market value
Actuarial assumptions:	
Projected salary increases	5.00%
Mortality	Based on the Pri-2012 healthy mortality table for males and females, with future mortality improvements projected on a fully generational basis using projection scale MP-2020.
Discount rate	7.50%

The following table summarizes the sensitivity of net pension (asset) liability to changes in the discount rates as of December 31, 2021.

	HPSM		
	1% Decrease: 6.50%	Current Discount Rate: 7.50%	1% Increase: 8.50%
Net pension liability (asset) as of December 31, 2021	\$ (389)	\$ (2,373)	\$ (4,144)

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**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.

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, 2022, 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
15-19	554.17	2%	90% of pre-65 Kaiser retiree only premium
≥20	727.30	4%	90% of pre-65 Kaiser retiree only premium

\* Contribution amount is in dollars.

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

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

*For the majority 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, 2021 pension valuation for SamCERA.

<b>Membership</b>	
Actives	4,969
Retirees and beneficiaries receiving benefits	2,870

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

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

The contributions for fiscal year ended June 30, 2022, were as follows:

Employer contributions	\$ 18,706
Implicit rate subsidy	<u>7,677</u>
	<u>\$ 26,383</u>

**Net OPEB Asset, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2022, the County reported \$14.8 million of net OPEB asset, while First 5 reported \$0.3 million. The net OPEB asset of the plan is measured as of June 30, 2021 and the total OPEB liability for the plan used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. The County's portion of the net OPEB asset, which includes First 5 was 97.4% as of June 30, 2021. The remaining portion of 2.6% 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, 2022, the County recognized OPEB expense (income) of (\$3.7) million and First 5 recognized (\$15) thousand. The County reported \$25.7 million and First 5 reported \$0.1 million as deferred outflows of resources related to OPEB contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023.

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At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-type Activities*	First 5 San Mateo County
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB contributions subsequent to measurement date	\$ 21,160	\$ 4,552	\$ 106
Changes of OPEB-related assumptions	9,223	2,005	35
Differences between expected and actual OPEB experience	1,491	332	3
Total deferred outflows of resources	<u>\$ 31,874</u>	<u>\$ 6,889</u>	<u>\$ 144</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes of OPEB-related assumptions	\$ 33,705	\$ 7,290	\$ 127
Differences between expected and actual OPEB experience	22,433	4,844	99
Differences between projected and actual earnings on OPEB investments	28,805	6,193	145
Total deferred inflows of resources	<u>\$ 84,943</u>	<u>\$ 18,327</u>	<u>\$ 371</u>

\* Housing Authority's portion is presented separately.

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities*</u>	<u>First 5</u>
2023	\$ (17,907)	\$ (3,872)	\$ (72)
2024	(18,233)	(3,944)	(72)
2025	(12,912)	(2,775)	(62)
2026	(12,553)	(2,694)	(64)
2027	(5,187)	(1,111)	(26)
Thereafter	(7,437)	(1,594)	(37)

\* Housing Authority's portion is presented separately.

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**Actuarial Assumptions.** The total OPEB liabilities in the June 30, 2021 actuarial valuation were determined using the information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2021
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-2014 Ultimate Projection Scale for active members, healthy retirees, and disable retirees.
Health cost trend	Adjusted to reflect the expected costs due to ACA
	2022-25 5.10%
	2025-26 5.00%
	2026-27 4.90%
	2027-28 4.80%
	2028-30 4.70%
	2041-62 4.50%
	2071-72 4.00%
	After 2081 3.90%
Dental and vision cost trend	2022-73 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:

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

**Discount Rate.** The investment rate of return assumption used to measure the total OPEB liability was 5.75%, reduced from 6.25% in 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 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 to Changes in the Discount Rate.*** The following presents net OPEB asset of the County, calculated using the discount rate of 5.75%, as well as what the County's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current rate.

*(Dollars in Millions)*

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>4.75%</b>	<b>5.75%</b>	<b>6.75%</b>
Total OPEB liability	\$ 427.2	\$ 390.1	\$ 357.3
Fiduciary net position	404.9	404.9	404.9
Net OPEB (asset) liability	22.3	(14.8)	(47.6)

\* Housing Authority's portion is separately presented.

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Discount Rate:</b>	<b>1% Increase:</b>
	<b>4.75%</b>	<b>5.75%</b>	<b>6.75%</b>
Total OPEB liability	\$ 8.8	\$ 8.0	\$ 7.3
Fiduciary net position	8.3	8.3	8.3
Net OPEB (asset) liability	0.5	(0.3)	(1.0)

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

*(Dollars in Millions)*

	<b>Primary Government*</b>		
	<b>1% Decrease:</b>	<b>Current Trend Rate:</b>	<b>1% Increase:</b>
Total OPEB liability	\$ 353.3	\$ 390.1	\$ 433.2
Fiduciary net position	404.9	404.9	404.9
Net OPEB (asset) liability	(51.6)	(14.8)	28.3

\* Housing Authority's portion is separately presented.

	<b>First 5</b>		
	<b>1% Decrease:</b>	<b>Current Trend Rate:</b>	<b>1% Increase:</b>
Total OPEB liability	\$ 7.2	\$ 8.0	\$ 8.9
Fiduciary net position	8.3	8.3	8.3
Net OPEB (asset) liability	(1.1)	(0.3)	0.6

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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 as of June 30, 2021 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * (Asset) Liability
Balance at June 30, 2020	\$ 408,321	\$ 348,931	\$ 59,390
Changes for the year:			
Service cost	13,966	-	13,966
Interest on total OPEB liability	25,704	-	25,704
Effect of economic/demographic gains or losses	(24,929)	-	(24,929)
Effect of assumptions changes or inputs	7,997	-	7,997
Benefit payments	(22,368)	(22,368)	-
Employer contributions	-	28,692	(28,692)
Net investment income	-	69,120	(69,120)
Administrative expenses	-	(190)	190
Net changes	370	75,254	(74,884)
Balance at June 30, 2021	\$ 408,691	\$ 424,185	\$ (15,494)

\* Of the balance at June 30, 2021, (\$14.8) million belonged to the primary government, (\$0.3) million to First 5, and (\$0.4) million to the County Library and LAFCo.

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

**Plan Description.** The Housing Authority has established a separate retiree health plan (the Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan through the California Employers' Retiree Benefits Trust (CERBT). This plan provides healthcare benefits to members who directly retire from the Housing Authority on or after age 55 with 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 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, 2022, the Housing Authority has 51 active and 5 retirees that were covered by the benefit terms under the plan.

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**Contributions.** Contribution requirements for the members and the Housing Authority are established through a Memorandum of Understanding between the Housing Authority and its applicable employee bargaining units and may be amended by agreements between the Housing Authority and the bargaining units. The annual contribution was based on the actuarially determined contribution. For the fiscal year ended June 30, 2022, the Housing Authority contributed \$77.1 thousand to the trust.

**Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.** As of June 30, 2022, the Housing Authority reported \$0.5 million of net OPEB liability. The net OPEB 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 liability was determined by an actuarial valuation as of June 30, 2022. For the fiscal year ended June 30, 2022, the Housing Authority recognized OPEB expense of \$120 thousand and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Housing Authority
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of OPEB-related assumptions	\$ 140
Differences between expected and actual OPEB experience	123
Differences between projected and actual earnings on OPEB investments	150
Total deferred outflows of resources	\$ 413
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Changes of OPEB-related assumptions	\$ 89
Differences between expected and actual OPEB experience	85
Total deferred inflows of resources	\$ 174

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

Year Ending June 30	Housing Authority
2023	\$ 46
2024	50
2025	49
2026	68
2027	8
Thereafter	18

The changes in the net OPEB liability as of June 30, 2022 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 1,689	\$ 1,469	\$ 220
Changes recognized for the measurement period:			
Service cost	59	-	59
Interest on total OPEB liability	87	-	87
Effect of economic/demographic gains or losses	129	-	129
Changes of assumptions	(60)	-	(60)
Benefit payments	(30)	(30)	-
Employer contributions	-	77	(77)
Net investment income	-	(188)	188
Administrative expenses	-	(1)	1
Net changes	185	(142)	327
Balance at June 30, 2022	\$ 1,874	\$ 1,327	\$ 547

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**Actuarial Assumptions.** The Housing Authority's Plan was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation using the following information below.

<b>Actuarial Methods and Assumptions</b>	
Valuation date	6/30/2022
Actuarial assumptions:	
Discount rate	5.00%
Investment rate of return	5.00%
Inflation	2.50%
Payroll growth rate	3.52% - 9.70%
Mortality	PUB-2010 healthy and retiree mortality table for general employees projected using scale MIP-2021
Pre-retirement turnover	Derived from 2020 SamCERA experience study
Healthcare trend rate	4.00% - 5.10%

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:

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Expected Arithmetic Nominal Return</b>
Global Equity	22%	8.00%
U.S. Fixed Income	49%	4.54%
Treasury Inflation-Protected Securities	16%	2.89%
Real Estate Investment Trusts	8%	8.34%
Commodities	5%	4.28%
<b>Total</b>	<b>100%</b>	
Expected Arithmetic Return (30 years)		5.53%
Expected Geometric Return (30 years)		5.22%

**Discount Rate.** The discount rate used to measure the total OPEB liability was 5.00%, same as from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that Housing Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on that, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. The long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Housing Authority's Net OPEB Liability to Changes in the Discount Rate.** The following presents net OPEB liability of the Housing Authority, calculated using the discount rate of 5.00%, as well as what its net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate.

	<b>1% Decrease 4.00%</b>	<b>Current Discount Rate 5.00%</b>	<b>1% Increase 6.00%</b>
Net OPEB liability	\$ 752.9	\$ 547.4	\$ 367.5

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

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Net OPEB liability	\$ 338.3	\$ 547.4	\$ 793.7

**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 \$100,000 in aggregate.
- Flood damage in excess of 5% of the replacement value per location, but limited to a maximum of \$100,000 in aggregate.
- General liability in excess of \$2,000 per incident, but limited to a maximum of \$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 \$500 per incident, but limited to a maximum of \$25,000 per claim and aggregate.

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

The estimated claims liability of \$58.1 million, as reported in the internal service funds at June 30, 2022, 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 \$51.5 million of the \$58.1 million reported was actuarially determined at a discount rate of 2%. The actuarially determined liability (which covers workers' compensation losses, general liability, and automobile liability) includes allocated loss adjustment expenses, case reserves, development of known claims, and incurred but not reported claims. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage in FY 2021-22.

Changes to the claims liability for FY 2020-21 and FY 2021-22 are as follows:

Liability at June 30, 2020	\$	59,652
Current year claims and changes in estimates		19,452
Payments on claims		(23,767)
Liability at June 30, 2021		55,337
Current year claims and changes in estimates		23,274
Payments on claims		(20,463)
Liability at June 30, 2022	\$	58,148

**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

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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, 2022, the Housing Authority paid \$0.2 million towards premium.

**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, 2022, the County’s General Fund had a total of \$1.5 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 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 \$186.3 million at June 30, 2022, 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.

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**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 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

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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, 2022, the Medical Center’s P14 cost reports have undergone an audit by DHCS except for FY21. 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 FY23.

The Medi-Cal 2020 Waiver features four programs that aim to improve care for the State’s Medi-Cal and remaining uninsured patients. Most programs will help California’s public health care systems better succeed in their dual missions of fulfilling their safety net roles while competing in the marketplace. The Medi-Cal 2020 Waiver was originally effective through December 31, 2020. On December 29, 2020, CMS approved another extension of the GPP Waiver through December 31, 2021 as a result of the continued public health emergency during the COVID-19 pandemic.

In Fall 2019, DHCS began a stakeholder engagement process for the development of the next 1115 waiver renewal application and program elements, called California Advancing and Innovating Medi-Cal (CalAIM). DHCS postponed the CalAIM implementation due to the COVID-19 pandemic. On December 29, 2021, CMS approved California’s CalAIM proposal for the renewal of the various federal authorities under which Medi-Cal operates (i.e. 1115 and 1915b waivers). 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 Judgment in favor of the Medical Center and the five other public hospitals. CMS filed an appeal, which was ultimately withdrawn on July 18, 2018 by the United States Court of Appeals, Ninth Circuit.

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

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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 \$71.4 million in FY22 from HPSM, which includes \$62.1 million in FFS revenue, \$4.5 million in primary care capitation revenue, and \$4.8 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, 2022, the last Medical Center Medicare cost report audited by the fiscal intermediary was for June 30, 2020. 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, 2022, the Medical Center had \$1.2 million of reserves related to potential Medicare cost report audit adjustments.

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

With California electing to implement a State-run Medi-Cal Expansion program offered by the Affordable Care Act, the State anticipated that counties' costs and responsibilities for the health care services for the indigent population would decrease as much of this population became eligible for coverage through Medi-Cal or Covered California. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State Health Realignment funding to fund social service programs. The redirected amount is determined according to a formula-based approach that takes into account a county's cost and revenue experience, and redirects 80% of any profits (long falls) realized by the county back to the State, up to a maximum of 100% of the Realignment funds allocated. The formula options were developed in consultation with the counties and DHCS to ensure continued viability of the county as a safety net provider. In FY22, the Medical Center recognized \$19.8 million in AB 85 realignment revenues for estimated revisions to calculated apportionments to the Medical Center based on associated costs, which is reflected as sales tax realignment revenue in the statement of revenues, expenses and changes in net position.

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

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

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

**Charity Care**

The Medical Center provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Throughout the admission, billing and collection processes, certain patients are identified by the Medical Center as qualifying for the charity care program. Once a patient is determined to be eligible for the Medical Center program, the patient's account is classified as charity care and associated charges are not reported as revenue. Costs are the basis for valuing charity care. The cost of charity care provided was approximately \$61.5 million for the fiscal year ended June 30, 2022. 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 \$82.1 million for the fiscal year ended June 30, 2022. Net charity charges over costs for the fiscal year ended June 30, 2022, amounted to \$20.6 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.

**Pending Litigation**

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



**Required Supplementary Information  
(Unaudited)**

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**Required Supplementary Information (Unaudited)**  
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**1. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The maintained road subsystem of the road network, with a total value of \$97 million at June 30, 2022, 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 2021-22.

PCI Condition Rating	2022	2022	2021	2021	2020	2020
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
<b>Primary:</b>						
Good to excellent (55-100)	146.12	92.9%	146.11	93.1%	147.58	94.1%
Substandard to fair (0-54)	11.09	7.1%	10.75	6.9%	9.27	5.9%
Total	<u>157.21</u>	<u>100.0%</u>	<u>156.86</u>	<u>100.0%</u>	<u>156.85</u>	<u>100.0%</u>
<b>Secondary:</b>						
Fair to excellent (40-100)	141.13	88.7%	140.35	88.1%	140.44	88.2%
Substandard (0-39)	17.98	11.3%	18.95	11.9%	18.86	11.8%
Total	<u>159.11</u>	<u>100.0%</u>	<u>159.30</u>	<u>100.0%</u>	<u>159.30</u>	<u>100.0%</u>

For the fiscal year ended June 30, 2022, the estimated maintenance and preservation cost exceeded the actual costs by \$527. 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	
2017	\$ 5,518	\$ 6,162	\$ (644)
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

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
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**2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<b>2022</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	50.11%	42.38%	0.27%	92.76%
County's proportionate share of the collective net pension liability	\$ 53,963	\$ 45,646	\$ 286	\$ 99,895
County's covered payroll	461,793	105,303	789	567,885
County's proportionate share of the collective net pension liability as a percentage of covered payroll	11.69%	43.35%	36.26%	17.59%
Plan fiduciary net position as a percentage of the total pension liability	98.23%	98.23%	98.23%	98.23%
	<b>2021</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	76.92%	17.54%	0.13%	94.59%
County's proportionate share of the collective net pension liability	\$ 676,723	\$ 154,314	\$ 1,156	\$ 832,193
County's covered payroll	446,899	113,569	804	561,272
County's proportionate share of the collective net pension liability as a percentage of covered payroll	151.43%	135.88%	143.77%	148.27%
Plan fiduciary net position as a percentage of the total pension liability	84.46%	84.46%	84.46%	84.46%
	<b>2020</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	75.32%	19.14%	0.14%	94.60%
County's proportionate share of the collective net pension liability	\$ 464,081	\$ 117,936	\$ 835	\$ 582,852
County's covered payroll	420,854	103,335	688	524,877
County's proportionate share of the collective net pension liability as a percentage of covered payroll	110.27%	114.13%	121.30%	111.05%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%
	<b>2019</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	75.87%	18.63%	0.12%	94.62%
County's proportionate share of the collective net pension liability	\$ 370,488	\$ 90,968	\$ 606	\$ 462,062
County's covered payroll	413,793	93,007	616	507,416
County's proportionate share of the collective net pension liability as a percentage of covered payroll	89.53%	97.81%	98.37%	91.06%
Plan fiduciary net position as a percentage of the total pension liability	89.96%	89.96%	89.96%	89.96%
	<b>2018</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	77.21%	17.35%	0.11%	94.68%
County's proportionate share of the collective net pension liability	\$ 445,984	\$ 100,243	\$ 664	\$ 546,891
County's covered payroll	399,906	83,099	552	483,557
County's proportionate share of the collective net pension liability as a percentage of covered payroll	111.52%	120.63%	120.33%	113.10%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	87.49%	87.49%	87.49%

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
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	<b>2017</b>			
	<b>Governmental</b>	<b>Business-type</b>		
	<b>Activities</b>	<b>Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	78.39%	16.29%	0.11%	94.79%
County's proportionate share of the collective net pension liability	\$ 558,747	\$ 116,105	\$ 771	\$ 675,623
County's covered payroll	372,001	75,220	496	447,717
County's proportionate share of the collective net pension liability as a percentage of covered payroll	150.20%	154.35%	155.44%	150.90%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	83.25%	83.25%	83.25%
	<b>2016</b>			
	<b>Governmental</b>	<b>Business-type</b>		
	<b>Activities</b>	<b>Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	78.75%	15.92%	0.11%	94.78%
County's proportionate share of the collective net pension liability	\$ 387,414	\$ 78,341	\$ 517	\$ 466,272
County's covered payroll	358,061	72,402	478	430,941
County's proportionate share of the collective net pension liability as a percentage of covered payroll	108.20%	108.20%	108.20%	108.20%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	87.53%	87.53%	87.53%
	<b>2015</b>			
	<b>Governmental</b>	<b>Business-type</b>		
	<b>Activities</b>	<b>Activities</b>	<b>First 5</b>	<b>Total County</b>
County's proportion of the collective net pension liability	79.06%	15.41%	0.10%	94.57%
County's proportionate share of the collective net pension liability	\$ 325,438	\$ 63,439	\$ 410	\$ 389,287
County's covered payroll	333,641	65,038	420	399,099
County's proportionate share of the collective net pension liability as a percentage of covered payroll	97.54%	97.54%	97.54%	97.54%
Plan fiduciary net position as a percentage of the total pension liability	88.88%	88.88%	88.88%	88.88%

**Notes to Schedule 2:**

*Changes in Assumptions* – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2014 and June 30, 2015, 7.20% as of June 30, 2016, 6.92% as of June 30, 2017 and June 30, 2018, 6.67% as of June 30, 2019 and June 30, 2020, and was reduced to 6.42% as of June 30, 2021.

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

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**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

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

	<b>2022</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 187,445	\$ 34,731	\$ 280	\$ 222,456
Contributions in relation to the contractually required contribution	202,645	34,731	280	237,656
Contribution deficiency (excess)	(15,200)	-	-	(15,200)
Covered payroll	306,641	259,376	1,625	567,642
Contributions as a percentage of covered payroll	66.09%	13.39%	17.23%	41.87%
	<b>2021</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 180,600	\$ 33,512	\$ 268	\$ 214,380
Contributions in relation to the contractually required contribution	220,300	33,512	268	254,080
Contribution deficiency (excess)	(39,700)	-	-	(39,700)
Covered payroll	461,793	105,303	789	567,885
Contributions as a percentage of covered payroll	47.71%	31.82%	33.97%	44.74%
	<b>2020</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 157,362	\$ 30,988	\$ 236	\$ 188,586
Contributions in relation to the contractually required contribution	157,362	30,988	236	188,586
Contribution deficiency (excess)	-	-	-	-
Covered payroll	446,899	113,569	804	561,272
Contributions as a percentage of covered payroll	35.21%	27.29%	29.35%	33.60%
	<b>2019</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 153,693	\$ 31,455	\$ 229	\$ 185,377
Contributions in relation to the contractually required contribution	204,361	31,455	229	236,045
Contribution deficiency (excess)	(50,668)	-	-	(50,668)
Covered payroll	420,854	103,335	688	524,877
Contributions as a percentage of covered payroll	48.56%	30.44%	33.27%	44.97%
	<b>2018</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 142,066	\$ 28,542	\$ 199	\$ 170,807
Contributions in relation to the contractually required contribution	169,696	28,542	199	198,437
Contribution deficiency (excess)	(27,630)	-	-	(27,630)
Covered payroll	413,793	93,007	616	507,416
Contributions as a percentage of covered payroll	41.01%	30.69%	32.30%	39.11%

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

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

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

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

	<b>2014</b>			
	<b>Governmental</b>	<b>Business-type</b>	<b>First 5</b>	<b>Total County</b>
	<b>Activities</b>	<b>Activities</b>		
Contractually required contributions	\$ 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%

**Notes to Schedule 3:**

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, 2022**  
**(In Thousands)**

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

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

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

	2021	2020	2019	2018	2017
<b>Total pension liability</b>					
Service cost	\$ 1,851	\$ 1,761	\$ 1,556	\$ 1,409	\$ 1,343
Interest	2,157	1,842	1,655	1,494	1,369
Differences between expected and actual experience	243	1,515	562	580	642
Changes of assumptions	-	(15)	37	(2)	1
Benefit payments	<u>(745)</u>	<u>(1,229)</u>	<u>(1,801)</u>	<u>(1,169)</u>	<u>(2,335)</u>
Net change in total pension liability	3,506	3,874	2,009	2,312	1,020
Total pension liability beginning of year	<u>27,271</u>	<u>23,397</u>	<u>21,388</u>	<u>19,076</u>	<u>18,056</u>
Total pension liability end of year (a)	<u>\$ 30,777</u>	<u>\$ 27,271</u>	<u>\$ 23,397</u>	<u>\$ 21,388</u>	<u>\$ 19,076</u>
<b>Plan fiduciary net pension</b>					
Contributions	1,949	1,772	1,613	1,397	1,313
Net investment income	3,212	3,805	4,100	(1,086)	2,921
Benefit payments	<u>(745)</u>	<u>(1,229)</u>	<u>(1,801)</u>	<u>(1,169)</u>	<u>(2,335)</u>
Net change in Plan fiduciary net position	4,416	4,348	3,912	(858)	1,899
Plan fiduciary net position beginning of year	<u>28,734</u>	<u>24,386</u>	<u>20,474</u>	<u>21,332</u>	<u>19,433</u>
Plan fiduciary net position end of year (b)	<u>\$ 33,150</u>	<u>\$ 28,734</u>	<u>\$ 24,386</u>	<u>\$ 20,474</u>	<u>\$ 21,332</u>
<b>Net pension liability (asset) end of year</b>					
Plan's net pension liability (asset) (a) - (b)	\$ (2,373)	\$ (1,463)	\$ (989)	\$ 914	\$ (2,256)
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.7%	105.4%	104.2%	95.7%	111.8%
Covered payroll	\$ 27,279	\$ 26,690	\$ 23,368	\$ 22,218	\$ 20,084
Net pension liability (asset) as a percentage of covered payroll	-8.70%	-5.48%	-4.23%	4.11%	-11.23%

	2016	2015
<b>Total pension liability</b>		
Service cost	\$ 1,187	\$ 1,253
Interest	1,265	1,284
Differences between expected and actual experience	365	(460)
Changes of assumptions	4	(1,472)
Benefit payments	<u>(875)</u>	<u>(709)</u>
Net change in total pension liability	1,946	(104)
Total pension liability beginning of year	<u>16,110</u>	<u>16,214</u>
Total pension liability end of year (a)	<u>\$ 18,056</u>	<u>\$ 16,110</u>
<b>Plan fiduciary net pension</b>		
Contributions	1,164	1,459
Net investment income	1,401	(71)
Benefit payments	<u>(875)</u>	<u>(709)</u>
Net change in Plan fiduciary net position	1,690	679
Plan fiduciary net position beginning of year	<u>17,743</u>	<u>17,064</u>
Plan fiduciary net position end of year (b)	<u>\$ 19,433</u>	<u>\$ 17,743</u>
<b>Net pension liability (asset) end of year</b>		
Plan's net pension liability (asset) (a) - (b)	\$ (1,377)	\$ (1,633)
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.6%	110.1%
Covered payroll	\$ 18,168	\$ 16,554
Net pension liability (asset) as a percentage of covered payroll	-7.58%	-9.86%

**Notes to Schedule 4:**

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

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

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

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,949	\$ 1,772	\$ 1,613	\$ 1,397	\$ 1,313
Contributions related to actuarially determined contribution	1,949	1,772	1,613	1,397	1,313
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 27,279	\$ 26,690	\$ 23,368	\$ 22,218	\$ 20,084
Contributions as a percentage of covered payroll	7.14%	6.64%	6.90%	6.29%	6.54%
	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,164	\$ 1,437	\$ 1,368	\$ 1,322	\$ 1,382
Contributions related to actuarially determined contribution	1,164	1,459	1,333	1,362	1,440
Contribution deficiency (excess)	-	(22)	35	(40)	(58)
Covered payroll	\$ 18,168	\$ 16,536	\$ 15,990	\$ 14,769	\$ 13,203
Contributions as a percentage of covered payroll	6.41%	8.82%	8.34%	9.22%	10.91%

**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 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18
<b>Total OPEB liability</b>					
Service cost	\$ 13,966	\$ 16,580	\$ 15,792	\$ 15,531	\$ 16,688
Interest on total OPEB liability	25,704	27,776	27,284	25,033	28,031
Effect of economic/demographic gains or losses	(24,929)	(1,428)	(198)	4,193	(15,855)
Effect of assumptions changes or inputs	7,997	(34,002)	529	9,473	(51,538)
Benefit payments	(22,368)	(22,338)	(22,213)	(19,913)	(21,496)
<b>Net change in total OPEB liability</b>	370	(13,412)	21,194	34,317	(44,170)
<b>Total OPEB liability - beginning</b>	408,321	421,733	400,539	366,222	410,392
<b>Total OPEB liability - ending (a)</b>	<u>\$ 408,691</u>	<u>\$ 408,321</u>	<u>\$ 421,733</u>	<u>\$ 400,539</u>	<u>\$ 366,222</u>
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 28,692	\$ 28,208	\$ 29,161	\$ 24,579	\$ 29,945
Net investment income	69,120	16,491	21,175	16,786	18,552
Benefit payments	(22,368)	(22,338)	(22,213)	(19,913)	(21,496)
Administrative expenses	(190)	(165)	(148)	(142)	(124)
<b>Net change in plan fiduciary net position</b>	75,254	22,196	27,975	21,310	26,877
<b>Plan fiduciary net position - beginning</b>	348,931	326,735	298,760	277,450	250,573
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 424,185</u>	<u>\$ 348,931</u>	<u>\$ 326,735</u>	<u>\$ 298,760</u>	<u>\$ 277,450</u>
<b>Net OPEB (asset) liability - ending (a) - (b)</b>	<u>\$ (15,494)</u>	<u>\$ 59,390</u>	<u>\$ 94,998</u>	<u>\$ 101,779</u>	<u>\$ 88,772</u>
<b>Plan fiduciary net position as a percentage of the total OPEB (asset) liability</b>	103.79%	85.46%	77.47%	74.59%	75.76%
<b>Covered payroll</b>	\$ 669,632	\$ 644,963	\$ 611,331	\$ 585,556	\$ 561,429
<b>Net OPEB (asset) liability as a percentage of covered payroll</b>	-2.31%	9.21%	15.54%	17.38%	15.81%

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

**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.

*Net OPEB (Asset) Liability* – The County’s portion was (\$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.

**7. SCHEDULE OF OPEB CONTRIBUTIONS**

	<u>FY 21-22</u>	<u>FY 20-21</u>	<u>FY 19-20</u>	<u>FY 18-19</u>	<u>FY 17-18</u>
Actuarially determined contribution	\$ 20,036	\$ 26,365	\$ 25,905	\$ 25,221	\$ 23,579
Contributions in relation to the actuarially determined contribution	<u>26,383</u>	<u>28,692</u>	<u>28,208</u>	<u>29,161</u>	<u>24,579</u>
Contribution deficiency (excess)	<u>\$ (6,347)</u>	<u>\$ (2,327)</u>	<u>\$ (2,303)</u>	<u>\$ (3,940)</u>	<u>\$ (1,000)</u>
Covered payroll	\$ 720,348	\$ 669,632	\$ 644,963	\$ 611,331	\$ 585,556
Contributions as a percentage of covered payroll	3.66%	4.28%	4.37%	4.77%	4.20%
	<u>FY 16-17</u>				
Actuarially determined contribution	\$ 29,945				
Contributions in relation to the actuarially determined contribution	<u>29,945</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 561,429				
Contributions as a percentage of covered payroll	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.

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited) – (Continued)**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

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

<b>Actuarial Valuation (For Funding Purposes)</b>				
Valuation date	6/30/2021	6/30/2019	6/30/2017	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	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, 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%	6.50%	6.73%	6.73%
Inflation rate (CPI)	2.50%	2.75%	2.75%	2.75%
Annual projected salary increases	3.00%	3.00%	3.00%	3.00%
Healthcare cost trend rates	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-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, 2022**  
**(In Thousands)**

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

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

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

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



General Fund

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 695,383	\$ 695,383	\$ -	340,827	\$ (354,556)
<b>Resources (inflows):</b>					
Taxes	781,835	794,225	12,390	936,376	142,151
Licenses and permits	8,399	8,399	-	7,880	(519)
Fines, forfeitures and penalties	6,625	6,625	-	6,333	(292)
Use of money and property	29,351	29,403	52	(8,957)	(38,360)
Intergovernmental revenues	696,002	731,282	35,280	558,115	(173,167)
Charges for services	186,770	180,971	(5,799)	167,658	(13,313)
Interfund revenue	85,171	86,439	1,268	(772)	(87,211)
Miscellaneous revenue	27,117	38,522	11,405	37,899	(623)
Other financing sources	19,093	40,296	21,203	28,641	(11,655)
Amounts available for appropriation	1,840,363	1,916,162	75,799	1,733,173	(182,989)
<b>General Government</b>					
<b>Board of Supervisors - Special Projects</b>					
Salaries and benefits	4,769	4,769	-	4,534	235
Services and supplies	356	356	-	217	139
Other charges	404	404	-	265	139
Other financing uses	14	14	-	14	-
Intrafund transfers	(77)	(77)	-	(9)	(68)
Total Board of Supervisors - Special Projects	5,466	5,466	-	5,021	445
<b>County Executive/Clerk of the Board</b>					
Salaries and benefits	14,177	12,787	(1,390)	12,140	647
Services and supplies	24,769	26,083	1,314	15,176	10,907
Other charges	2,348	1,552	(796)	1,487	65
Other financing uses	252	226	(26)	471	(245)
Intrafund transfers	(1,827)	(1,827)	-	(566)	(1,261)
Contingencies	3,303	3,303	-	-	3,303
Total County Executive/Clerk of the Board	43,022	42,124	(898)	28,708	13,416
<b>Special Services</b>					
Salaries and benefits	1,169	1,069	(100)	967	102
Services and supplies	241	341	100	178	163
Other charges	21,381	21,381	-	21,376	5
Other financing uses	26	26	-	26	-
Intrafund transfers	(18,967)	(18,967)	-	(18,938)	(29)
Contingencies	1,061	1,061	-	-	1,061
Total Special Services	4,911	4,911	-	3,609	1,302
<b>CEO Revenue Services</b>					
Salaries and benefits	1,805	1,805	-	1,192	613
Services and supplies	877	877	-	659	218
Other charges	367	367	-	332	35
Other financing uses	18	18	-	18	-
Intrafund transfers	(2,275)	(2,275)	-	(2,615)	340
Total CEO Revenue Services	792	792	-	(414)	1,206
<b>Assessor-Clerk-Recorder</b>					
Salaries and benefits	29,120	30,123	1,003	29,791	332
Services and supplies	18,780	18,802	22	12,316	6,486
Other charges	2,819	2,819	-	2,479	340
Capital assets	12,533	12,724	191	3,382	9,342
Other financing uses	577	640	63	634	6
Intrafund transfers	(27,323)	(27,323)	-	(12,911)	(14,412)
Contingencies	1,431	1,431	-	-	1,431
Total Assessor-Clerk-Recorder	37,937	39,216	1,279	35,691	3,525

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Controller's Office</b>					
Salaries and benefits	11,363	11,363	-	10,079	1,284
Services and supplies	3,916	3,916	-	2,703	1,213
Other charges	2,488	2,488	-	1,843	645
Other financing uses	204	204	-	195	9
Intrafund transfers	(2,009)	(2,009)	-	(693)	(1,316)
Contingencies	1,797	1,797	-	-	1,797
Total Controller's Office	17,759	17,759	-	14,127	3,632
<b>Tax Collector/Treasurer</b>					
Salaries and benefits	5,676	5,676	-	3,761	1,915
Services and supplies	5,920	5,920	-	2,910	3,010
Other charges	1,909	1,909	-	764	1,145
Capital assets	40	40	-	-	40
Other financing uses	183	183	-	173	10
Intrafund transfers	(110)	(110)	-	(118)	8
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	13,885	13,885	-	7,490	6,395
<b>County Counsel</b>					
Salaries and benefits	14,451	14,339	(112)	14,339	-
Services and supplies	981	1,540	559	1,540	-
Other charges	734	734	-	625	109
Other financing uses	23	23	-	22	1
Intrafund transfers	(2,473)	(2,920)	(447)	(2,991)	71
Contingencies	6,360	6,360	-	-	6,360
Total County Counsel	20,076	20,076	-	13,535	6,541
<b>Human Resources</b>					
Salaries and benefits	16,505	16,563	58	15,632	931
Services and supplies	3,641	3,586	(55)	2,039	1,547
Other charges	1,888	1,885	(3)	1,607	278
Other financing uses	1,136	1,136	-	83	1,053
Intrafund transfers	(1,820)	(1,820)	-	(1,115)	(705)
Contingencies	542	542	-	-	542
Total Human Resources	21,892	21,892	-	18,246	3,646
<b>Information Services</b>					
Salaries and benefits	31,045	31,160	115	28,543	2,617
Services and supplies	46,214	45,448	(766)	15,823	29,625
Other charges	2,262	2,984	722	2,821	163
Capital assets	60	595	535	230	365
Other financing uses	292	312	20	302	10
Intrafund transfers	(36,300)	(36,300)	-	(26,531)	(9,769)
Contingencies	4,642	4,642	-	-	4,642
Total Information Services	48,215	48,841	626	21,188	27,653
<b>Public Works</b>					
Salaries and benefits	36,252	36,252	-	30,852	5,400
Services and supplies	24,738	24,768	30	21,689	3,079
Other charges	8,420	8,571	151	6,130	2,441
Capital assets	55	55	-	52	3
Other financing uses	640	1,497	857	1,486	11
Intrafund transfers	(29,044)	(29,074)	(30)	(30,215)	1,141
Contingencies	6,234	5,278	(956)	-	5,278
Total Public Works	47,295	47,347	52	29,994	17,353

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Non-Departmental Services</b>					
Salaries and benefits	10,140	21,190	11,050	27,388	(6,198)
Services and supplies	178,555	141,291	(37,264)	72,970	68,321
Other charges	73,380	98,739	25,359	53,315	45,424
Capital assets	57,000	85,532	28,532	2,340	83,192
Other financing uses	184,689	189,986	5,297	35,602	154,384
Intrafund transfers	(484)	(484)	-	(58)	(426)
Contingencies	120,544	120,544	-	-	120,544
Total Non-Departmental Services	623,824	656,798	32,974	191,557	465,241
<b>Total General Government</b>	<b>885,074</b>	<b>919,107</b>	<b>34,033</b>	<b>368,752</b>	<b>550,355</b>
<b>Public Protection</b>					
<b>Public Safety Communication</b>					
Salaries and benefits	15,037	15,316	279	15,316	-
Services and supplies	5,336	5,056	(280)	127	4,929
Other charges	1,189	1,190	1	1,007	183
Capital assets	2	2	-	392	(390)
Other financing uses	52	52	-	51	1
Intrafund transfers	(350)	(350)	-	(345)	(5)
Contingencies	1,047	1,047	-	-	1,047
Total Public Safety Communication	22,313	22,313	-	16,548	5,765
<b>Agricultural Commissioner</b>					
Salaries and benefits	6,180	6,180	-	5,548	632
Services and supplies	1,064	1,037	(27)	633	404
Other charges	646	646	-	605	41
Other financing uses	9	36	27	35	1
Contingencies	512	512	-	-	512
Total Agricultural Commissioner	8,411	8,411	-	6,821	1,590
<b>Grand Jury</b>					
Services and supplies	124	124	-	100	24
Other charges	1	1	-	-	1
Total Grand Jury	125	125	-	100	25
<b>Message Switch</b>					
Services and supplies	500	500	-	385	115
Other charges	212	212	-	197	15
Intrafund transfers	(195)	(195)	-	(141)	(54)
Contingencies	1,174	1,174	-	-	1,174
Total Message Switch	1,691	1,691	-	441	1,250
<b>District Attorney</b>					
Salaries and benefits	34,906	34,941	35	34,597	344
Services and supplies	2,160	2,125	(35)	1,440	685
Other charges	2,627	2,627	-	2,104	523
Other financing uses	145	145	-	143	2
Intrafund transfers	(538)	(538)	-	(240)	(298)
Contingencies	7,157	7,157	-	-	7,157
Total District Attorney	46,457	46,457	-	38,044	8,413
<b>Child Support Services</b>					
Salaries and benefits	9,772	9,866	94	9,862	4
Services and supplies	223	209	(14)	192	17
Other charges	651	571	(80)	549	22
Other financing uses	197	197	-	194	3
Intrafund transfers	(311)	(311)	-	-	(311)
Total Child Support Services	10,532	10,532	-	10,797	(265)

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>County Support of Courts</b>					
Services and supplies	1,538	1,538	-	1,480	58
Other charges	18,942	21,958	3,016	18,962	2,996
Other financing uses	8	8	-	-	8
Total County Support of Courts	20,488	23,504	3,016	20,442	3,062
<b>Private Defender Program</b>					
Services and supplies	21,723	21,718	(5)	18,415	3,303
Other charges	21	26	5	23	3
Other financing uses	37	37	-	37	-
Total Private Defender Program	21,781	21,781	-	18,475	3,306
<b>Sheriff</b>					
Salaries and benefits	206,055	206,581	526	195,283	11,298
Services and supplies	36,658	37,934	1,276	21,025	16,909
Other charges	21,687	21,687	-	19,144	2,543
Capital assets	3,790	29,167	25,377	3,666	25,501
Other financing uses	15,614	15,614	-	15,596	18
Intrafund transfers	(2,709)	(2,709)	-	(2,319)	(390)
Contingencies	10,859	859	(10,000)	-	859
Total Sheriff	291,954	309,133	17,179	252,395	56,738
<b>Probation</b>					
Salaries and benefits	73,381	73,381	-	56,997	16,384
Services and supplies	7,290	7,290	-	3,672	3,618
Other charges	10,552	10,552	-	9,098	1,454
Capital assets	500	500	-	-	500
Other financing uses	6,451	6,451	-	6,430	21
Intrafund transfers	(133)	(133)	-	(205)	72
Contingencies	25,299	25,299	-	-	25,299
Total Probation	123,340	123,340	-	75,992	47,348
<b>Coroner's Office</b>					
Salaries and benefits	3,007	2,983	(24)	2,703	280
Services and supplies	1,331	1,295	(36)	1,110	185
Other charges	433	457	24	456	1
Capital assets	-	36	36	25	11
Other financing uses	19	19	-	19	-
Intrafund transfers	(88)	(88)	-	(6)	(82)
Contingencies	64	64	-	-	64
Total Coroner's Office	4,766	4,766	-	4,307	459
<b>Fire Protection</b>					
Salaries and benefits	-	-	-	43	(43)
Services and supplies	15,535	15,535	-	10,934	4,601
Other charges	631	630	(1)	205	425
Capital assets	3,090	3,122	32	(18)	3,140
Other financing uses	642	642	-	321	321
Intrafund transfers	24	24	-	-	24
Total Fire Protection	19,922	19,953	31	11,485	8,468
<b>Planning</b>					
Salaries and benefits	12,862	11,962	(900)	10,489	1,473
Services and supplies	2,208	3,358	1,150	2,631	727
Other charges	1,175	1,176	1	1,102	74
Capital assets	25	25	-	-	25
Other financing uses	55	55	-	50	5
Intrafund transfers	(336)	(586)	(250)	(354)	(232)
Contingencies	1,053	1,296	243	-	1,296
Total Planning	17,042	17,286	244	13,918	3,368

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Office of Sustainability</b>					
Salaries and benefits	5,576	5,306	(270)	3,709	1,597
Services and supplies	8,781	9,051	270	3,627	5,424
Other charges	1,275	1,375	100	847	528
Other financing uses	20	20	-	19	1
Intrafund transfers	(562)	(562)	-	(42)	(520)
Contingencies	1,235	1,235	-	-	1,235
Total Office of Sustainability	16,325	16,425	100	8,160	8,265
<b>Department of Emergency Management</b>					
Salaries and benefits	-	2,157	2,157	1,284	873
Services and supplies	-	2,278	2,278	2,005	273
Other charges	-	996	996	912	84
Capital assets	-	5	5	-	5
Other financing uses	-	26	26	25	1
Total Office of Sustainability	-	5,462	5,462	4,226	1,236
<b>Total Public Protection</b>	<b>605,147</b>	<b>631,179</b>	<b>26,032</b>	<b>482,151</b>	<b>149,028</b>
<b>Health and Sanitation</b>					
<b>Health Services Administration</b>					
Salaries and benefits	6,023	6,173	150	6,138	35
Services and supplies	2,294	2,244	(50)	1,873	371
Other charges	665	515	(150)	356	159
Capital assets	200	50	(150)	-	50
Other financing uses	5	205	200	191	14
Intrafund transfers	(2,867)	(2,867)	-	(2,738)	(129)
Contingencies	417	417	-	-	417
Total Health Services Administration	6,737	6,737	-	5,820	917
<b>Health Coverage Unit</b>					
Salaries and benefits	3,942	4,428	486	4,403	25
Services and supplies	2,781	3,815	1,034	2,299	1,516
Other charges	253	3,998	3,745	1,895	2,103
Contingencies	336	336	-	-	336
Total Health Coverage Unit	7,312	12,577	5,265	8,597	3,980
<b>Health Policy Plan Promotion</b>					
Salaries and benefits	36,003	36,003	-	32,890	3,113
Services and supplies	23,614	30,764	7,150	22,177	8,587
Other charges	3,704	3,704	-	3,080	624
Capital assets	856	956	100	837	119
Other financing uses	50	50	-	27	23
Intrafund transfers	(1,588)	(1,588)	-	(2,381)	793
Contingencies	771	771	-	-	771
Total Health Policy Plan Promotion	63,410	70,660	7,250	56,630	14,030
<b>Health IT</b>					
Salaries and benefits	5,930	5,930	-	4,426	1,504
Services and supplies	7,586	7,586	-	3,419	4,167
Other charges	477	477	-	328	149
Intrafund transfers	(7,434)	(7,434)	-	(5,482)	(1,952)
Contingencies	890	890	-	-	890
Total Health IT	7,449	7,449	-	2,691	4,758
<b>Emergency Medical Services</b>					
Salaries and benefits	2,552	2,552	-	2,277	275
Services and supplies	8,104	8,148	44	7,298	850
Other charges	462	462	-	427	35
Contingencies	490	490	-	-	490
Total Emergency Medical Services	11,608	11,652	44	10,002	1,650

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Contributions to Medical Center</b>					
Services and supplies	44	44	-	44	-
Other charges	-	-	-	16,899	(16,899)
Other financing uses	58,097	58,097	-	58,097	-
Total Contributions to Medical Center	58,141	58,141	-	75,040	(16,899)
<b>Environmental Health Services</b>					
Salaries and benefits	16,298	16,298	-	14,782	1,516
Services and supplies	4,110	4,110	-	2,720	1,390
Other charges	1,396	1,396	-	1,388	8
Other financing uses	3	3	-	3	-
Intrafund transfers	(49)	(49)	-	(34)	(15)
Contingencies	807	807	-	-	807
Total Environmental Health Services	22,565	22,565	-	18,859	3,706
<b>Behavioral Health Services</b>					
Salaries and benefits	96,746	96,746	-	87,818	8,928
Services and supplies	91,602	91,558	(44)	82,312	9,246
Other charges	65,038	65,038	-	54,725	10,313
Other financing uses	366	366	-	309	57
Intrafund transfers	(2,662)	(2,662)	-	(1,850)	(812)
Contingencies	4,005	4,005	-	-	4,005
Total Behavioral Health Services	255,095	255,051	(44)	223,314	31,737
<b>Family Health Services</b>					
Salaries and benefits	34,786	34,786	-	30,040	4,746
Services and supplies	4,174	5,632	1,458	4,425	1,207
Other charges	2,230	2,657	427	2,101	556
Capital assets	383	383	-	-	383
Other financing uses	3	3	-	3	-
Intrafund transfers	(2,489)	(2,489)	-	(2,057)	(432)
Contingencies	1,765	1,765	-	-	1,765
Total Family Health Services	40,852	42,737	1,885	34,512	8,225
<b>Correctional Health Services</b>					
Salaries and benefits	19,679	20,051	372	20,051	-
Services and supplies	8,355	8,881	526	8,874	7
Other charges	1,240	1,017	(223)	944	73
Intrafund transfers	(732)	(732)	-	(1,010)	278
Contingencies	474	474	-	-	474
Total Correctional Health Services	29,016	29,691	675	28,859	832
<b>Total Health and Sanitation</b>					
	502,185	517,260	15,075	464,324	52,936
<b>Public Assistance</b>					
<b>Aging &amp; Adult Services</b>					
Salaries and benefits	25,484	25,574	90	23,534	2,040
Services and supplies	4,466	4,466	-	4,362	104
Other charges	12,423	12,558	135	7,597	4,961
Other financing uses	13	13	-	13	-
Intrafund transfers	(3,028)	(3,028)	-	(2,262)	(766)
Contingencies	742	742	-	-	742
Total Aging & Adult Services	40,100	40,325	225	33,244	7,081
<b>In Home Support Services - Public Authority</b>					
Other charges	3,702	3,702	-	-	3,702
Other financing uses	-	-	-	3,702	(3,702)
Total In Home Support Services - Public Authority	3,702	3,702	-	3,702	-

(Continued)

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Human Services Agency</b>					
Salaries and benefits	131,780	132,130	350	118,502	13,628
Services and supplies	62,310	62,310	-	38,459	23,851
Other charges	64,400	64,400	-	46,304	18,096
Capital assets	720	720	-	12	708
Other financing uses	2,547	2,547	-	1,713	834
Intrafund transfers	(2,242)	(2,242)	-	(2,324)	82
Contingencies	38,541	38,541	-	-	38,541
Total Human Services Agency	298,056	298,406	350	202,666	95,740
<b>Department of Housing</b>					
Salaries and benefits	4,802	4,802	-	3,794	1,008
Services and supplies	501	701	200	475	226
Other charges	108,238	108,038	(200)	26,854	81,184
Intrafund transfers	(5,095)	(5,095)	-	-	(5,095)
Total Department of Housing	108,446	108,446	-	31,123	77,323
<b>Total Public Assistance</b>	450,304	450,879	575	270,735	180,144
<b>Recreation</b>					
<b>Parks &amp; Recreation</b>					
Salaries and benefits	13,784	13,592	(192)	13,456	136
Services and supplies	7,349	7,425	76	5,449	1,976
Other charges	2,377	2,577	200	2,555	22
Capital assets	1,011	1,011	-	563	448
Other financing uses	13	13	-	12	1
Intrafund transfers	(253)	(253)	-	(122)	(131)
Contingencies	2,537	2,537	-	-	2,537
Total Parks & Recreation	26,818	26,902	84	21,913	4,989
<b>Total Recreation</b>	26,818	26,902	84	21,913	4,989
<b>Contingencies</b>					
Contingencies	66,218	66,218	-	-	66,218
<b>Total Contingencies</b>	66,218	66,218	-	-	66,218
Total charges to appropriations	2,535,746	2,611,545	75,799	1,607,875	1,003,670
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 466,125	\$ 466,125

**COUNTY OF SAN MATEO**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (page 111)	\$ 1,733,173
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	772
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(28,641)
Receipts from programs that are not budgeted	<u>152,277</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 27)	<u><u>\$ 1,857,581</u></u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule (page 117)	\$ 1,607,875
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.	772
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.	(18,108)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(126,018)
Disbursements for programs that are not budgeted	<u>(14,977)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 27)	<u><u>\$ 1,449,544</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, 2022**  
**(In Thousands)**

**BUDGETARY BASIS OF ACCOUNTING**

Under State law, the County is required to adopt a balanced budget by October 2<sup>nd</sup> of each year. Except for the Joint Powers Financing Authority and certain other special revenue funds, the County 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 \$16.9 million not budgeted due to intergovernmental revenues accrual. Child Support Services budget units included interfund transfers whereas there were no actual expenditures which caused negative variance of \$0.3 million.



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



## Nonmajor Governmental Funds

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**  
**(In Thousands)**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 147,818	\$ -	\$ 148,562	\$ 296,380
Restricted cash and investments	-	30,601	-	30,601
Receivables (net):				
Accounts	66	-	24	90
Interest	434	65	291	790
Taxes	824	-	-	824
Due from other funds	426	-	1,130	1,556
Due from other governmental agencies	6,050	-	39	6,089
Prepaid items	298	-	31	329
Inventories	364	-	-	364
Total assets	<u>\$ 156,280</u>	<u>\$ 30,666</u>	<u>\$ 150,077</u>	<u>\$ 337,023</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 9,560	\$ -	\$ 17,499	\$ 27,059
Accrued salaries and benefits	913	-	-	913
Due to other funds	3,271	-	98	3,369
Unearned revenues	709	-	23	732
Deposits	13	-	-	13
Advances from other funds	5,707	-	-	5,707
Total liabilities	<u>20,173</u>	<u>-</u>	<u>17,620</u>	<u>37,793</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	3,719	-	-	3,719
Total deferred inflows of resources	<u>3,719</u>	<u>-</u>	<u>-</u>	<u>3,719</u>
<b>FUND BALANCES</b>				
Nonspendable	662	-	31	693
Restricted	130,775	30,666	-	161,441
Assigned	951	-	132,426	133,377
Total fund balances	<u>132,388</u>	<u>30,666</u>	<u>132,457</u>	<u>295,511</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 156,280</u>	<u>\$ 30,666</u>	<u>\$ 150,077</u>	<u>\$ 337,023</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, 2022**  
**(In Thousands)**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>				
Taxes	\$ 21,328	\$ -	\$ 5,335	\$ 26,663
Licenses and permits	3,724	-	-	3,724
Intergovernmental	63,572	-	9,923	73,495
Charges for services	28,795	-	24,501	53,296
Fines, forfeitures and penalties	1,439	-	-	1,439
Rents and concessions	65	-	-	65
Investment loss	(3,870)	(877)	(3,305)	(8,052)
Other	1,299	-	791	2,090
Total revenues	<u>116,352</u>	<u>(877)</u>	<u>37,245</u>	<u>152,720</u>
<b>Expenditures:</b>				
Current:				
General government	777	-	-	777
Public protection	3,974	-	-	3,974
Public ways and facilities	25,942	-	-	25,942
Health and sanitation	32,805	-	-	32,805
Public assistance	31,448	-	-	31,448
Capital outlay	3,351	-	82,286	85,637
Debt service:				
Principal	154	-	-	154
Interest	61	-	-	61
Total expenditures	<u>98,512</u>	<u>-</u>	<u>82,286</u>	<u>180,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,840</u>	<u>(877)</u>	<u>(45,041)</u>	<u>(28,078)</u>
<b>Other financing sources (uses):</b>				
Transfers in	4,285	39,790	76,440	120,515
Transfers out	(12,079)	(39,379)	(63,702)	(115,160)
Total other financing sources (uses)	<u>(7,794)</u>	<u>411</u>	<u>12,738</u>	<u>5,355</u>
<b>Net change in fund balances</b>	10,046	(466)	(32,303)	(22,723)
Fund balances - beginning	<u>122,342</u>	<u>31,132</u>	<u>164,760</u>	<u>318,234</u>
Fund balances - end	<u>\$ 132,388</u>	<u>\$ 30,666</u>	<u>\$ 132,457</u>	<u>\$ 295,511</u>

## COUNTY OF SAN MATEO

### Nonmajor Governmental Funds

#### Special Revenue Funds

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

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

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

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

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

*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, 2022**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
<b>ASSETS</b>						
Cash and investments	\$ 31,064	\$ 7,376	\$ 15,994	\$ 39,170	\$ 20,253	\$ 2,327
Receivables (net):						
Accounts	-	20	36	-	-	10
Interest	83	49	45	107	56	6
Taxes	-	354	293	55	97	-
Due from other funds	176	226	3	20	1	-
Due from other governmental agencies	3,281	10	4	290	421	207
Prepaid items	38	-	177	69	-	-
Inventories	364	-	-	-	-	-
Total assets	<u>\$ 35,006</u>	<u>\$ 8,035</u>	<u>\$ 16,552</u>	<u>\$ 39,711</u>	<u>\$ 20,828</u>	<u>\$ 2,550</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 701	\$ -	\$ 677	\$ 7,370	\$ 19	\$ 339
Accrued salaries and benefits	615	-	7	72	-	-
Due to other funds	224	-	12	22	-	355
Unearned revenues	-	305	246	46	81	10
Deposits	9	-	4	-	-	-
Advances from other funds	250	-	55	5,311	91	-
Total liabilities	<u>1,799</u>	<u>305</u>	<u>1,001</u>	<u>12,821</u>	<u>191</u>	<u>704</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	1,012	30	29	295	429	85
Total deferred inflows of resources	<u>1,012</u>	<u>30</u>	<u>29</u>	<u>295</u>	<u>429</u>	<u>85</u>
<b>FUND BALANCES</b>						
Nonspendable	402	-	177	69	-	-
Restricted	30,842	7,700	15,345	26,526	20,208	1,761
Assigned	951	-	-	-	-	-
Total fund balances	<u>32,195</u>	<u>7,700</u>	<u>15,522</u>	<u>26,595</u>	<u>20,208</u>	<u>1,761</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,006</u>	<u>\$ 8,035</u>	<u>\$ 16,552</u>	<u>\$ 39,711</u>	<u>\$ 20,828</u>	<u>\$ 2,550</u>

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2022**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 14,127	\$ 4,876	\$ 7,489	\$ 2,942	\$ 2,200	\$ 147,818	<b>ASSETS</b>
-	-	-	-	-	66	Cash and investments
39	13	23	7	6	434	Receivables (net):
-	-	-	-	25	824	Accounts
-	-	-	-	-	426	Interest
-	-	-	1,780	57	6,050	Taxes
11	-	3	-	-	298	Due from other funds
-	-	-	-	-	364	Due from other governmental agencies
<u>\$ 14,177</u>	<u>\$ 4,889</u>	<u>\$ 7,515</u>	<u>\$ 4,729</u>	<u>\$ 2,288</u>	<u>\$ 156,280</u>	Prepaid items
						Inventories
						Total assets
						<b>LIABILITIES</b>
\$ 11	\$ -	\$ 430	\$ 13	\$ -	\$ 9,560	Accounts payable
-	-	119	100	-	913	Accrued salaries and benefits
-	-	3	2,655	-	3,271	Due to other funds
-	-	-	-	21	709	Unearned revenues
-	-	-	-	-	13	Deposits
-	-	-	-	-	5,707	Advances from other funds
<u>11</u>	<u>-</u>	<u>552</u>	<u>2,768</u>	<u>21</u>	<u>20,173</u>	Total liabilities
						<b>DEFERRED INFLOWS OF RESOURCES</b>
-	-	-	1,780	59	3,719	Unavailable revenue
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,780</u>	<u>59</u>	<u>3,719</u>	Total deferred inflows of resources
						<b>FUND BALANCES</b>
11	-	3	-	-	662	Nonspendable
14,155	4,889	6,960	181	2,208	130,775	Restricted
-	-	-	-	-	951	Assigned
<u>14,166</u>	<u>4,889</u>	<u>6,963</u>	<u>181</u>	<u>2,208</u>	<u>132,388</u>	Total fund balances
<u>\$ 14,177</u>	<u>\$ 4,889</u>	<u>\$ 7,515</u>	<u>\$ 4,729</u>	<u>\$ 2,288</u>	<u>\$ 156,280</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, 2022**  
**(In Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
<b>Revenues</b>						
Taxes	\$ 16	\$ 6,655	\$ 5,498	\$ 1,686	\$ 2,124	\$ -
Licenses and permits	774	-	160	-	-	-
Intergovernmental	32,152	2,432	27	1,432	4	-
Charges for services	2,970	94	2,030	22,411	126	-
Fines, forfeitures and penalties	-	-	-	-	-	1,437
Rents and concessions	34	31	-	-	-	-
Investment loss	(823)	(143)	(426)	(1,075)	(536)	(60)
Other	112	42	1	-	-	11
Total revenues	<u>35,235</u>	<u>9,111</u>	<u>7,290</u>	<u>24,454</u>	<u>1,718</u>	<u>1,388</u>
<b>Expenditures</b>						
Current:						
General government	-	-	285	-	485	-
Public protection	-	-	3,974	-	-	-
Public ways and facilities	25,576	-	-	-	-	-
Health and sanitation	-	-	1,792	22,702	-	2,720
Public assistance	-	-	-	-	-	-
Capital outlay	2,195	-	9	1,121	26	-
Debt service:						
Principal	-	-	-	154	-	-
Interest	-	-	-	61	-	-
Total expenditures	<u>27,771</u>	<u>-</u>	<u>6,060</u>	<u>24,038</u>	<u>511</u>	<u>2,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,464</u>	<u>9,111</u>	<u>1,230</u>	<u>416</u>	<u>1,207</u>	<u>(1,332)</u>
<b>Other financing sources (uses)</b>						
Transfers in	366	-	-	-	-	-
Transfers out	(198)	(11,026)	(169)	(4)	-	-
Total other financing sources (uses)	<u>168</u>	<u>(11,026)</u>	<u>(169)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>7,632</u>	<u>(1,915)</u>	<u>1,061</u>	<u>412</u>	<u>1,207</u>	<u>(1,332)</u>
Fund balances - beginning	<u>24,563</u>	<u>9,615</u>	<u>14,461</u>	<u>26,183</u>	<u>19,001</u>	<u>3,093</u>
Fund balances - end	<u>\$ 32,195</u>	<u>\$ 7,700</u>	<u>\$ 15,522</u>	<u>\$ 26,595</u>	<u>\$ 20,208</u>	<u>\$ 1,761</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, 2022**  
**(In Thousands)**

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 4,905	\$ -	\$ -	\$ -	\$ 444	\$ 21,328	<b>Revenues</b>
-	-	2,790	-	-	3,724	Taxes
-	-	114	27,410	1	63,572	Licenses and permits
-	539	40	577	8	28,795	Intergovernmental
-	-	-	-	2	1,439	Charges for services
-	-	-	-	-	65	Fines, forfeitures and penalties
(376)	(130)	(189)	(54)	(58)	(3,870)	Rents and concessions
-	-	705	401	27	1,299	Investment loss
<u>4,529</u>	<u>409</u>	<u>3,460</u>	<u>28,334</u>	<u>424</u>	<u>116,352</u>	Other
						Total revenues
						<b>Expenditures</b>
						Current:
-	-	-	-	7	777	General government
-	-	-	-	-	3,974	Public protection
316	-	-	-	50	25,942	Public ways and facilities
-	-	5,589	-	2	32,805	Health and sanitation
-	-	-	31,448	-	31,448	Public assistance
-	-	-	-	-	3,351	Capital outlay
						Debt service:
-	-	-	-	-	154	Principal
-	-	-	-	-	61	Interest
<u>316</u>	<u>-</u>	<u>5,589</u>	<u>31,448</u>	<u>59</u>	<u>98,512</u>	Total expenditures
						Excess (deficiency) of revenues over (under) expenditures
<u>4,213</u>	<u>409</u>	<u>(2,129)</u>	<u>(3,114)</u>	<u>365</u>	<u>17,840</u>	
						<b>Other financing sources (uses)</b>
-	215	2	3,702	-	4,285	Transfers in
(638)	-	(44)	-	-	(12,079)	Transfers out
<u>(638)</u>	<u>215</u>	<u>(42)</u>	<u>3,702</u>	<u>-</u>	<u>(7,794)</u>	Total other financing sources (uses)
3,575	624	(2,171)	588	365	10,046	<b>Net change in fund balances</b>
<u>10,591</u>	<u>4,265</u>	<u>9,134</u>	<u>(407)</u>	<u>1,843</u>	<u>122,342</u>	Fund balances - beginning
<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 - end

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 22,736	\$ 22,736	\$ -	\$ 22,416	\$ (320)
<b>Resources (inflows):</b>					
Taxes	47	47	-	16	(31)
Licenses and permits	350	350	-	774	424
Use of money and property	96	96	-	(789)	(885)
Intergovernmental revenues	32,664	32,664	-	32,152	(512)
Charges for services	22	22	-	2,970	2,948
Interfund revenue	1,651	1,651	-	-	(1,651)
Miscellaneous revenues	41	41	-	112	71
Other financing sources	2,418	2,418	-	366	(2,052)
Amounts available for appropriation	37,289	37,289	-	35,601	(1,688)
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Salaries and benefits	13,323	13,323	-	12,330	993
Services and supplies	25,443	25,443	-	11,635	13,808
Other charges	2,714	2,714	-	1,779	935
Capital assets	5,458	5,458	-	2,196	3,262
Other financing uses	32	32	-	198	(166)
Intrafund transfers	-	-	-	(169)	169
Contingencies	13,055	13,055	-	-	13,055
Total charges to appropriations	60,025	60,025	-	27,969	32,056
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 30,048	\$ 30,048

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 35,601
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(366)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 35,235

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 27,969
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(198)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 27,771

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Fire Protection Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 9,566	\$ 9,566	\$ -	\$ 9,615	\$ 49
<b>Resources (inflows):</b>					
Taxes	8,642	8,642	-	6,655	(1,987)
Use of money and property	122	122	-	(112)	(234)
Intergovernmental revenues	2,396	2,396	-	2,432	36
Charges for services	261	261	-	94	(167)
Miscellaneous revenues	473	473	-	42	(431)
Other financing sources	507	507	-	-	(507)
Amounts available for appropriation	12,401	12,401	-	9,111	(3,290)
<b>Charges to appropriations (outflows):</b>					
Public protection					
Other financing uses	16,299	16,299	-	11,026	5,273
Non-general fund reserves	5,668	5,668	-	-	5,668
Total charges to appropriations	21,967	21,967	-	11,026	10,941
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 7,700	\$ 7,700

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 11,026
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(11,026)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ -

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Service Area Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 14,447</u>	<u>\$ 14,519</u>	<u>\$ 72</u>	<u>\$ 14,461</u>	<u>\$ (58)</u>
<b>Resources (inflows):</b>					
Taxes	4,975	4,975	-	5,498	523
Licenses and permits	151	151	-	160	9
Use of money and property	121	121	-	(426)	(547)
Intergovernmental revenues	16	16	-	27	11
Charges for services	2,031	2,031	-	2,030	(1)
Miscellaneous revenues	49	49	-	1	(48)
Amounts available for appropriation	<u>7,343</u>	<u>7,343</u>	<u>-</u>	<u>7,290</u>	<u>(53)</u>
<b>Charges to appropriations (outflows):</b>					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	358	358	-	52	306
Services and supplies	8,363	8,163	(200)	5,966	2,197
Other charges	74	146	72	33	113
Capital assets	80	80	-	9	71
Contingencies	1,212	1,212	-	-	1,212
Non-general fund reserves	11,703	11,703	-	-	11,703
Other financing uses	-	200	200	169	31
Total charges to appropriations	<u>21,790</u>	<u>21,862</u>	<u>72</u>	<u>6,229</u>	<u>15,633</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,522</u>	<u>\$ 15,522</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 6,229
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(169)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 6,060</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Sewer and Sanitation Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 31,643	\$ 32,634	\$ 991	\$ 24,851	\$ (7,783)
<b>Resources (inflows):</b>					
Taxes	867	867	-	1,686	819
Use of money and property	500	500	-	(1,075)	(1,575)
Intergovernmental revenues	3	3	-	1,432	1,429
Charges for services	18,536	18,536	-	22,411	3,875
Interfund revenue	4,051	4,051	-	-	(4,051)
Miscellaneous revenues	-	-	-	-	-
Other financing sources	115	115	-	-	(115)
Amounts available for appropriation	<u>24,072</u>	<u>24,072</u>	<u>-</u>	<u>24,454</u>	<u>382</u>
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	1,633	1,633	-	1,377	256
Services and supplies	20,173	20,173	-	17,447	2,726
Other charges	3,361	4,352	991	4,093	259
Capital assets	10,531	10,531	-	1,121	9,410
Other financing uses	124	124	-	4	120
Contingencies	19,678	19,678	-	-	19,678
Non-general fund reserves	215	215	-	-	215
Total charges to appropriations	<u>55,715</u>	<u>56,706</u>	<u>991</u>	<u>24,042</u>	<u>32,664</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,263</u>	<u>\$ 25,263</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 24,042
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(4)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 24,038</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Lighting Districts Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 19,023</u>	<u>\$ 19,079</u>	<u>\$ 56</u>	<u>\$ 19,001</u>	<u>\$ (78)</u>
<b>Resources (inflows):</b>					
Taxes	1,015	1,015	-	2,124	1,109
Use of money and property	291	291	-	(536)	(827)
Intergovernmental revenues	4	4	-	4	-
Interfund revenue	246	246	-	-	(246)
Charges for services	-	-	-	126	126
Miscellaneous revenues	-	-	-	-	-
Amounts available for appropriation	<u>1,556</u>	<u>1,556</u>	<u>-</u>	<u>1,718</u>	<u>162</u>
<b>Charges to appropriations (outflows):</b>					
General government					
Services and supplies	1,510	1,510	-	464	1,046
Other charges	38	94	56	21	73
Capital assets	1,500	1,500	-	26	1,474
Contingencies	17,531	17,531	-	-	17,531
Total charges to appropriations	<u>20,579</u>	<u>20,635</u>	<u>56</u>	<u>511</u>	<u>20,124</u>
<b>Budgetary fund balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,208</u></u>	<u><u>\$ 20,208</u></u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Emergency Medical Services Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 3,311	\$ 3,311	\$ -	\$ 3,093	\$ (218)
<b>Resources (inflows):</b>					
Fines, forfeitures and penalties	1,641	1,641	-	1,437	(204)
Use of money and property	28	28	-	(60)	(88)
Miscellaneous revenues	26	26	-	11	(15)
Amounts available for appropriation	1,695	1,695	-	1,388	(307)
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Services and supplies	3,391	3,391	-	2,720	671
Non-general fund reserves	1,615	1,615	-	-	1,615
Total charges to appropriations	5,006	5,006	-	2,720	2,286
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 1,761	\$ 1,761

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County Half-Cent Transportation Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	<u>\$ 10,552</u>	<u>\$ 10,552</u>	<u>\$ -</u>	<u>\$ 10,591</u>	<u>\$ 39</u>
<b>Resources (inflows):</b>					
Taxes	3,097	3,097	-	4,905	1,808
Use of money and property	<u>50</u>	<u>50</u>	<u>-</u>	<u>(376)</u>	<u>(426)</u>
Amounts available for appropriation	<u>3,147</u>	<u>3,147</u>	<u>-</u>	<u>4,529</u>	<u>1,382</u>
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Services and supplies	8,508	8,508	-	212	8,296
Other charges	178	178	-	104	74
Other financing uses	3,708	3,708	-	638	3,070
Contingencies	<u>1,305</u>	<u>1,305</u>	<u>-</u>	<u>-</u>	<u>1,305</u>
Total charges to appropriations	<u>13,699</u>	<u>13,699</u>	<u>-</u>	<u>954</u>	<u>12,745</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,166</u>	<u>\$ 14,166</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 954
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(638)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 316</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County-Wide Road Improvement Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 4,249	\$ 4,239	\$ (10)	\$ 4,265	\$ 26
<b>Resources (inflows):</b>					
Use of money and property	25	25	-	(130)	(155)
Charges for services	475	475	-	539	64
Other financing sources	-	215	215	215	-
Amounts available for appropriation	500	715	215	624	(91)
<b>Charges to appropriations (outflows):</b>					
Public ways and facilities					
Other financing uses	-	-	-	-	-
Non-general fund reserves	4,749	4,954	205	-	4,954
Total charges to appropriations	4,749	4,954	205	-	4,954
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 4,889	\$ 4,889

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 624
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(215)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 409

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Solid Waste Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 9,586	\$ 9,585	\$ (1)	\$ 9,134	\$ (451)
<b>Resources (inflows):</b>					
Licenses and permits	2,903	2,903	-	2,790	(113)
Use of money and property	108	108	-	(189)	(297)
Intergovernmental revenues	17	17	-	114	97
Charges for services	683	683	-	40	(643)
Miscellaneous revenues	5	5	-	705	700
Other financing sources	240	240	-	2	(238)
Amounts available for appropriation	<u>3,956</u>	<u>3,956</u>	<u>-</u>	<u>3,462</u>	<u>(494)</u>
<b>Charges to appropriations (outflows):</b>					
Health and sanitation					
Salaries and benefits	2,038	2,038	-	2,252	(214)
Services and supplies	2,866	3,921	1,055	2,418	1,503
Other charges	1,474	2,003	529	919	1,084
Other financing uses	449	449	-	44	405
Non-general fund reserves	6,715	5,130	(1,585)	-	5,130
Total charges to appropriations	<u>13,542</u>	<u>13,541</u>	<u>(1)</u>	<u>5,633</u>	<u>7,908</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,963</u>	<u>\$ 6,963</u>

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,462
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(2)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,460</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,633
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(44)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 5,589</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**In-Home Supportive Services Public Authority Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 1,649	\$ 1,649	\$ -	\$ (407)	\$ (2,056)
<b>Resources (inflows):</b>					
Use of money and property	21	21	-	(54)	(75)
Intergovernmental revenues	27,486	27,486	-	27,410	(76)
Charges for services	-	-	-	577	577
Interfund revenue	4,183	4,183	-	-	(4,183)
Miscellaneous revenues	387	387	-	401	14
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	32,077	32,077	-	32,036	(41)
<b>Charges to appropriations (outflows):</b>					
Public assistance					
Salaries and benefits	1,883	1,883	-	1,808	75
Services and supplies	7,611	7,611	-	7,203	408
Other charges	22,582	22,582	-	22,437	145
Non-general fund reserves	1,650	1,650	-	-	1,650
Total charges to appropriations	33,726	33,726	-	31,448	2,278
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 181	\$ 181

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 32,036
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(3,702)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 28,334

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Highlands Landscape Maintenance District</b>					
<b>Budgetary fund balance, July 1</b>	\$ 1,125	\$ 1,125	\$ -	\$ 403	\$ (722)
Resources (inflows):					
Taxes	48	48	-	-	(48)
Use of money and property	18	18	-	(58)	(76)
Charges for services	7	7	-	8	1
Intergovernmental	-	-	-	1	1
Amounts available for appropriation	<u>73</u>	<u>73</u>	<u>-</u>	<u>(22)</u>	<u>(95)</u>
Charges to appropriations (outflows):					
General Government					
Services and supplies	94	94	-	9	85
Contingencies	905	905	-	-	905
Non-general fund reserves	199	199	-	-	199
Total charges to appropriations	<u>1,198</u>	<u>1,198</u>	<u>-</u>	<u>9</u>	<u>1,189</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372</u>	<u>\$ 372</u>
<b>Los Trancos County Maintenance Fund</b>					
<b>Budgetary fund balance, July 1</b>	\$ 646	\$ 646	\$ -	\$ 463	\$ (183)
Resources (inflows):					
Taxes	205	205	-	444	239
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>444</u>	<u>233</u>
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	425	425	-	50	375
Other Charges	9	9	-	-	9
Capital assets	-	-	-	-	-
Non-general fund reserves	423	423	-	-	423
Total charges to appropriations	<u>857</u>	<u>857</u>	<u>-</u>	<u>50</u>	<u>807</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 857</u>	<u>\$ 857</u>
<b>Fish and Game Fund</b>					
<b>Budgetary fund balance, July 1</b>	\$ 62	\$ 62	\$ -	\$ 59	\$ (3)
Resources (inflows):					
Fines, forfeitures & penalties	2	2	-	-	(2)
Use of money and property	1	1	-	2	1
Amounts available for appropriation	<u>3</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>(1)</u>
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	10	10	-	-	10
Non-general fund reserves	55	55	-	-	55
Total charges to appropriations	<u>65</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b><u>Total - Other Special Revenue Funds</u></b>					
<b>Budgetary fund balance, July 1</b>	\$ 1,833	\$ 1,833	\$ -	\$ 925	\$ (908)
Resources (inflows)	287	287	-	424	137
Charges to appropriations (outflows)	<u>2,120</u>	<u>2,120</u>	<u>-</u>	<u>59</u>	<u>2,061</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,290</u>	<u>\$ 1,290</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, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 24,248	\$ 24,248	\$ -	\$ 31,132	\$ 6,884
<b>Resources (inflows):</b>					
Use of money and property	-	-	-	(877)	(877)
Other financing sources	39,628	39,628	-	39,790	162
Amount available for appropriation	<u>39,628</u>	<u>39,628</u>	<u>-</u>	<u>38,913</u>	<u>(715)</u>
<b>Charges to appropriations (outflows):</b>					
Other charges	39,258	39,258	-	-	39,258
Other financing uses	4,529	4,529	-	39,379	(34,850)
Non-general fund reserves	20,089	20,089	-	-	20,089
Total charges to appropriations	<u>63,876</u>	<u>63,876</u>	<u>-</u>	<u>39,379</u>	<u>24,497</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,666</u>	<u>\$ 30,666</u>

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 38,913
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(39,790)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ (877)</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 39,379
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(39,379)</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, 2022**  
**(In Thousands)**

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>ASSETS</b>					
Cash and investments	\$ 88,324	\$ 2,726	\$ 51	\$ 57,461	\$ 148,562
Accounts receivable	-	12	11	1	24
Interest receivable	247	7	-	37	291
Due from other funds	-	-	-	1,130	1,130
Due from other governmental agencies	-	-	-	39	39
Prepaid items	-	-	-	31	31
Total assets	<u>\$ 88,571</u>	<u>\$ 2,745</u>	<u>\$ 62</u>	<u>\$ 58,699</u>	<u>\$ 150,077</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 1	\$ 17,498	\$ 17,499
Due to other funds	-	-	-	98	98
Unearned revenues	-	12	11	-	23
Total liabilities	<u>-</u>	<u>12</u>	<u>12</u>	<u>17,596</u>	<u>17,620</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	31	31
Assigned	88,571	2,733	50	41,072	132,426
Total fund balances	<u>88,571</u>	<u>2,733</u>	<u>50</u>	<u>41,103</u>	<u>132,457</u>
Total liabilities, and fund balances	<u>\$ 88,571</u>	<u>\$ 2,745</u>	<u>\$ 62</u>	<u>\$ 58,699</u>	<u>\$ 150,077</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, 2022**  
**(In Thousands)**

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 5,335	\$ 5,335
Intergovernmental	-	-	-	9,923	9,923
Charges for services	-	756	1,722	22,023	24,501
Investment loss	(2,205)	(73)	(9)	(1,018)	(3,305)
Other	-	-	-	791	791
Total revenues	<u>(2,205)</u>	<u>683</u>	<u>1,713</u>	<u>37,054</u>	<u>37,245</u>
<b>Expenditures:</b>					
Capital outlay	-	-	-	82,286	82,286
Excess (deficiency) of revenues over (under) expenditures	<u>(2,205)</u>	<u>683</u>	<u>1,713</u>	<u>(45,232)</u>	<u>(45,041)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	76,440	76,440
Transfers out	(45,000)	-	(1,163)	(17,539)	(63,702)
Total other financing sources (uses)	<u>(45,000)</u>	<u>-</u>	<u>(1,163)</u>	<u>58,901</u>	<u>12,738</u>
Net change in fund balances	(47,205)	683	550	13,669	(32,303)
Fund balances - beginning	<u>135,776</u>	<u>2,050</u>	<u>(500)</u>	<u>27,434</u>	<u>164,760</u>
Fund balances - end	<u>\$ 88,571</u>	<u>\$ 2,733</u>	<u>\$ 50</u>	<u>\$ 41,103</u>	<u>\$ 132,457</u>

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**County One-Time Expense Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 135,279	\$ 135,279	\$ -	\$ 135,776	\$ 497
<b>Resources (inflows):</b>					
Use of money and property	500	500	-	(2,205)	(2,705)
Intergovernmental revenues	668	668	-	-	(668)
Miscellaneous revenues	857	857	-	-	(857)
Amounts available for appropriation	<u>2,025</u>	<u>2,025</u>	<u>-</u>	<u>(2,205)</u>	<u>(4,230)</u>
<b>Charges to appropriations (outflows):</b>					
Other financing uses	91,757	136,757	45,000	45,000	91,757
Non-general fund reserves	<u>45,547</u>	<u>547</u>	<u>(45,000)</u>	<u>-</u>	<u>547</u>
Total charges to appropriations	<u>137,304</u>	<u>137,304</u>	<u>-</u>	<u>45,000</u>	<u>92,304</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,571</u>	<u>\$ 88,571</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 45,000
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(45,000)</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**  
**Criminal Facility Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 2,042	\$ 2,042	\$ -	\$ 2,050	\$ 8
<b>Resources (inflows):</b>					
Use of money and property	18	18	-	(73)	(91)
Charges for services	900	900	-	756	(144)
Amounts available for appropriation	918	918	-	683	(235)
<b>Charges to appropriations (outflows):</b>					
Other financing uses	2,200	2,200	-	-	2,200
Non-general fund reserves	760	760	-	-	760
Total charges to appropriations	2,960	2,960	-	-	2,960
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 2,733	\$ 2,733

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Courthouse Construction Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ (500)	\$ (500)	\$ -	\$ (500)	\$ -
<b>Resources (inflows):</b>					
Charges for services	900	900	-	1,722	822
Interfund revenue	965	965	-	-	(965)
Use of money and property	-	-	-	(9)	(9)
Amounts available for appropriation	1,865	1,865	-	1,713	(152)
<b>Charges to appropriations (outflows):</b>					
Other financing uses	1,365	1,365	-	1,163	202
<b>Budgetary fund balance, June 30</b>	\$ -	\$ -	\$ -	\$ 50	\$ 50

**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.	(1,163)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	\$ -

**COUNTY OF SAN MATEO**  
**Budgetary Comparison Schedule**  
**Other Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<b>Budgetary fund balance, July 1</b>	\$ 33,410	\$ 33,379	\$ (31)	\$ 27,433	\$ (5,946)
<b>Resources (inflows):</b>					
Taxes	28,723	28,487	(236)	5,335	(23,152)
Use of money and property	20	20	-	(1,018)	(1,038)
Intergovernmental revenues	2,469	57,791	55,322	9,923	(47,868)
Charges for services	-	-	-	22,023	22,023
Miscellaneous revenues	-	62	62	791	729
Other financing sources	238,730	310,377	71,647	76,440	(233,937)
Amounts available for appropriation	<u>269,942</u>	<u>396,737</u>	<u>126,795</u>	<u>113,494</u>	<u>(283,243)</u>
<b>Charges to appropriations (outflows):</b>					
Services and supplies	22,099	39,285	17,186	-	39,285
Other charges	2,000	2,000	-	-	2,000
Capital assets	244,694	354,229	109,535	82,286	271,943
Contingencies	7,521	7,521	-	-	7,521
Other financing uses	25,679	25,722	43	17,539	8,183
Non-general fund reserves	1,359	1,359	-	-	1,359
Total charges to appropriations	<u>303,352</u>	<u>430,116</u>	<u>126,764</u>	<u>99,825</u>	<u>330,291</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,102</u>	<u>\$ 41,102</u>

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 113,494
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(76,440)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 37,054</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 99,825
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(17,539)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 82,286</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, 2022**  
**(In Thousands)**

	Airports	Coyote Point Marina	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 6,148	\$ 2,357	\$ 8,505
Receivables (net):			
Accounts	57	22	79
Interest	17	6	23
Lease receivable	70	-	70
Due from other funds	9	-	9
Due from other governmental agencies	-	28	28
Prepaid items	98	2	100
Total current assets	6,399	2,415	8,814
Noncurrent assets:			
Net OPEB asset	38	7	45
Capital assets:			
Nondepreciable	7,629	1,334	8,963
Depreciable, net	22,185	6,955	29,140
Total noncurrent assets	29,852	8,296	38,148
Total assets	36,251	10,711	46,962
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related items	729	221	950
OPEB-related items	68	21	89
Total deferred outflows of resources	797	242	1,039
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	100	101	201
Accrued interest payable	-	87	87
Accrued salaries and benefits	97	35	132
Due to other funds	13	2	15
Unearned revenues	16	-	16
Deposits	1	3	4
Notes payable - current	-	79	79
Compensated absences - current	102	28	130
Total current liabilities	329	335	664
Noncurrent liabilities:			
Net pension liability - noncurrent	243	105	348
Notes payable - noncurrent	-	1,949	1,949
Compensated absences - noncurrent	46	26	72
Total noncurrent liabilities	289	2,080	2,369
Total liabilities	618	2,415	3,033
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	675	198	873
OPEB related	181	56	237
Lease related	70	-	70
Total deferred inflows of resources	926	254	1,180
<b>NET POSITION</b>			
Net investment in capital assets	29,814	6,261	36,075
Unrestricted	5,690	2,023	7,713
Total net position	\$ 35,504	\$ 8,284	\$ 43,788

**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, 2022**  
**(In Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services	\$ 118	\$ 1,596	\$ 1,714
Rent and concessions	5,133	-	5,133
Miscellaneous	261	5	266
Total operating revenues	<u>5,512</u>	<u>1,601</u>	<u>7,113</u>
<b>Operating expenses:</b>			
Salaries and benefits	1,455	469	1,924
Pension expense	179	54	233
General and administrative	2,335	719	3,054
Depreciation	655	314	969
Total operating expenses	<u>4,624</u>	<u>1,556</u>	<u>6,180</u>
Operating income	<u>888</u>	<u>45</u>	<u>933</u>
<b>Nonoperating revenues (expenses):</b>			
State and federal grants	105	42	147
Investment loss	(161)	(63)	(224)
Interest expense	-	(95)	(95)
Total nonoperating revenues (expenses)	<u>(56)</u>	<u>(116)</u>	<u>(172)</u>
<b>Change in net position</b>	832	(71)	761
Net position - beginning	<u>34,672</u>	<u>8,355</u>	<u>43,027</u>
Net position - end	<u>\$ 35,504</u>	<u>\$ 8,284</u>	<u>\$ 43,788</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash receipts from customers	\$ 5,463	\$ 1,575	\$ 7,038
Cash paid to suppliers of goods and services	(2,403)	(646)	(3,049)
Cash paid to employees for services	(1,747)	(574)	(2,321)
Net cash provided by operating activities	<u>1,313</u>	<u>355</u>	<u>1,668</u>
<b>Cash flows from noncapital financing activities</b>			
State and federal grants receipts	<u>105</u>	<u>42</u>	<u>147</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(200)	(1)	(201)
Principal paid on long-term debt	-	(75)	(75)
Interest paid on long-term debt	-	(98)	(98)
Cash received on lease receivables	27	-	27
Cash received for interest on lease receivables	2	-	2
Net cash (used in) capital and related financing activities	<u>(171)</u>	<u>(174)</u>	<u>(345)</u>
<b>Cash flows from investing activities</b>			
Investment expense paid	<u>(167)</u>	<u>(64)</u>	<u>(231)</u>
Net cash (used in) investing activities	<u>(167)</u>	<u>(64)</u>	<u>(231)</u>
Net change in cash and cash equivalents	1,080	159	1,239
Cash and cash equivalents, beginning	<u>5,068</u>	<u>2,198</u>	<u>7,266</u>
Cash and cash equivalents, end	<u>\$ 6,148</u>	<u>\$ 2,357</u>	<u>\$ 8,505</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
<b>Operating income</b>	\$ 888	\$ 45	\$ 933
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	655	314	969
Decrease (increase) in:			
Accounts receivable	61	-	61
Lease receivable	(99)	-	(99)
Due from other funds	(3)	-	(3)
Due from other governmental agencies	-	(28)	(28)
Net OPEB assets	(38)	(7)	(45)
Other assets	(22)	-	(22)
Increase (decrease) in:			
Accounts payable	(46)	73	27
Accrued salaries and benefits	13	7	20
Due to other funds	11	2	13
Unearned revenues	(19)	-	(19)
Net pension liability	(912)	(273)	(1,185)
Compensated absences	2	1	3
Deferred inflows of resources	822	221	1,043
Net cash provided by operating activities	<u>\$ 1,313</u>	<u>\$ 355</u>	<u>\$ 1,668</u>



## Internal Service Funds

## COUNTY OF SAN MATEO

### **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal Service Funds used by the County include the following:

*Fleet Maintenance Fund* – provides vehicle and equipment acquisition, replacement, maintenance, repair, and fuel services to all County agencies. Full service repair facilities are operated in Belmont and Redwood City.

*Tower Road Construction Fund* – provides quality, cost-effective maintenance, repair and renovation of County facilities to ensure a safe, accessible, efficient and attractive environment for the public and all County employees. This unit also offers remodeling and craft services beyond the scope of building maintenance to the County and other government agencies; as well as capital project management, support, and maintenance services to the lighting districts on a fee for service basis.

*Self-Insurance Funds* – are established to account for administrative costs and claim payments under various self-insurance programs. Revenues are primarily from premiums paid by participating funds and income on investments. The insurance programs include the following:

- Workers' Compensation Insurance – provides medical benefits to employees for work-related injuries and illnesses.
- Long-Term Disability – provides long-term disability benefits for permanent employees who have worked for the County for three years and at least 20 hours per week.
- Personal Injury and Property Damage – provides insurance coverage for general liability (including errors and omissions) and automobile liability.

*Employee Benefits Fund* – is established to account for costs associated with providing comprehensive benefits, services, and programs to eligible employees, retirees, and their dependents that meet their needs. Revenues are primarily derived from contributions paid by individual funds.

**COUNTY OF SAN MATEO**  
**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**June 30, 2022**  
**(In Thousands)**

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 17,896	\$ -	\$ 19,686	\$ 839	\$ 2,117	\$ 25,135	\$ 65,673
Receivables (net):							
Accounts	5	165	-	-	-	602	772
Interest	46	-	57	3	13	62	181
Due from other funds	62	41	2	8	13	-	126
Due from other governmental agencies	1	-	-	-	-	2,762	2,763
Inventories	113	-	-	-	-	-	113
Prepaid items	288	5	1,118	-	6,671	-	8,082
Total current assets	<u>18,411</u>	<u>211</u>	<u>20,863</u>	<u>850</u>	<u>8,814</u>	<u>28,561</u>	<u>77,710</u>
Noncurrent assets:							
Net OPEB asset	29	22	-	-	-	-	51
Capital assets:							
Depreciable, net	9,984	-	-	-	-	-	9,984
Total noncurrent assets	<u>10,013</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,035</u>
Total assets	<u>28,424</u>	<u>233</u>	<u>20,863</u>	<u>850</u>	<u>8,814</u>	<u>28,561</u>	<u>87,745</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension-related items	698	642	-	-	-	-	1,340
OPEB-related items	90	69	-	-	-	-	159
Total deferred outflows of resources	<u>788</u>	<u>711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,499</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	135	79	100	-	135	450	899
Accrued salaries and benefits	81	84	-	6	-	-	171
Due to other funds	1	2	-	-	5	392	400
Compensated absences - current	83	91	-	-	-	-	174
Estimated claims - current	-	-	15,688	66	3,856	1,246	20,856
Total current liabilities	<u>300</u>	<u>256</u>	<u>15,788</u>	<u>72</u>	<u>3,996</u>	<u>2,088</u>	<u>22,500</u>
Noncurrent liabilities:							
Advances from other funds	-	785	-	-	-	-	785
Net pension liability - noncurrent	389	476	-	-	-	-	865
Compensated absences - noncurrent	20	-	-	-	-	-	20
Estimated claims - noncurrent	-	-	31,236	394	5,662	-	37,292
Total noncurrent liabilities	<u>409</u>	<u>1,261</u>	<u>31,236</u>	<u>394</u>	<u>5,662</u>	<u>-</u>	<u>38,962</u>
Total liabilities	<u>709</u>	<u>1,517</u>	<u>47,024</u>	<u>466</u>	<u>9,658</u>	<u>2,088</u>	<u>61,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension-related items	610	491	-	-	-	-	1,101
OPEB-related items	241	185	-	-	-	-	426
Total deferred inflows of resources	<u>851</u>	<u>676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,527</u>
<b>NET POSITION</b>							
Net investment in capital assets	9,984	-	-	-	-	-	9,984
Unrestricted	17,668	(1,249)	(26,161)	384	(844)	26,473	16,271
Total net position	<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>

**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, 2022**  
**(In Thousands)**

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage	Employee Benefits	Total
<b>Operating revenues:</b>							
Charges for services	\$ 7,271	\$ 1,480	\$ 18,112	\$ 937	\$ 12,227	\$ 123,581	\$ 163,608
Miscellaneous	165	41	266	47	38	10	567
Total operating revenues	<u>7,436</u>	<u>1,521</u>	<u>18,378</u>	<u>984</u>	<u>12,265</u>	<u>123,591</u>	<u>164,175</u>
<b>Operating expenses:</b>							
Salaries and benefits	1,330	1,328	-	-	-	-	2,658
Pension expense	167	143	-	-	-	-	310
General and administrative	2,893	328	3,223	1,164	2,994	6,800	17,402
Benefits and claims	-	-	11,303	-	3,435	8,536	23,274
Insurance premiums	-	-	1,883	-	10,576	108,454	120,913
Depreciation	2,937	-	-	-	-	-	2,937
Total operating expenses	<u>7,327</u>	<u>1,799</u>	<u>16,409</u>	<u>1,164</u>	<u>17,005</u>	<u>123,790</u>	<u>167,494</u>
Operating income (loss)	<u>109</u>	<u>(278)</u>	<u>1,969</u>	<u>(180)</u>	<u>(4,740)</u>	<u>(199)</u>	<u>(3,319)</u>
<b>Nonoperating expenses</b>							
Investment loss	<u>(487)</u>	<u>(4)</u>	<u>(506)</u>	<u>(20)</u>	<u>(90)</u>	<u>(646)</u>	<u>(1,753)</u>
Income (loss) before transfers	(378)	(282)	1,463	(200)	(4,830)	(845)	(5,072)
Transfers in	611	397	-	-	3,508	-	4,516
Transfers out	<u>(9)</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>(36)</u>
<b>Change in net position</b>	224	107	1,463	(200)	(1,341)	(845)	(592)
Net position - beginning	<u>27,428</u>	<u>(1,356)</u>	<u>(27,624)</u>	<u>584</u>	<u>497</u>	<u>27,318</u>	<u>26,847</u>
Net position - end	<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>

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Fleet Maintenance	Tower Construction	Workers' Compensation Insurance	Long-Term Disability
<b>Cash flows from operating activities</b>				
Cash received from interfund services provided	\$ 7,008	\$ 1,427	\$ 18,250	\$ 976
Cash payment to suppliers of goods and services	(2,936)	(300)	(5,151)	(1,164)
Cash payment to employees for services	(1,727)	(1,686)	-	3
Cash payment for judgments and claims	-	-	(11,266)	149
Net cash provided by (used in) operating activities	<u>2,345</u>	<u>(559)</u>	<u>1,833</u>	<u>(36)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers received from other funds	611	397	-	-
Transfers paid to other funds	(9)	(8)	-	-
Net cash provided by noncapital financing activities	<u>602</u>	<u>389</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(2,066)	-	-	-
<b>Cash flows from investing activities</b>				
Investment loss	(492)	(4)	(517)	(20)
Net increase (decrease) in cash and cash equivalents	389	(174)	1,316	(56)
Cash and cash equivalents, beginning	17,507	174	18,370	895
Cash and cash equivalents, end	<u>\$ 17,896</u>	<u>\$ -</u>	<u>\$ 19,686</u>	<u>\$ 839</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>Operating income (loss)</b>	\$ 109	\$ (278)	\$ 1,969	\$ (180)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,937	-	-	-
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	5	(59)	-	-
Due from other funds	(56)	(34)	(2)	(8)
Due from other government agencies	(1)	-	-	-
Inventories	(36)	-	-	-
Other assets	(282)	(1)	(126)	-
Net OPEB assets	(170)	(130)	-	-
Deferred outflows of resources	185	271	-	-
Increase (decrease) in:				
Accounts payable	(8)	73	(45)	-
Accrued salaries and benefits	6	7	-	3
Due to other funds	1	-	-	-
Unearned revenues	-	(45)	-	-
Net pension liability	(930)	(873)	-	-
Compensated absences	(30)	(57)	-	-
Refundable deposits	(94)	-	-	-
Estimated claims	-	-	37	149
Deferred inflows of resources	709	567	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,345</u>	<u>\$ (559)</u>	<u>\$ 1,833</u>	<u>\$ (36)</u>

(Continued)

**COUNTY OF SAN MATEO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	Personal Injury and Property Damage	Employee Benefits	Total	
	\$ 11,365	\$ 123,243	\$ 162,269	<b>Cash flows from operating activities</b>
	(13,593)	(114,887)	(138,031)	Cash received from interfund services provided
	-	-	(3,410)	Cash payment to suppliers of goods and services
	(869)	(8,477)	(20,463)	Cash payment to employees for services
	(3,097)	(121)	365	Cash payment for judgments and claims
				Net cash provided by (used in) operating activities
	3,508	-	4,516	<b>Cash flows from noncapital financing activities</b>
	(19)	-	(36)	Transfers received from other funds
	3,489	-	4,480	Transfers paid to other funds
				Net cash provided by (used in) noncapital financing activities
	-	-	(2,066)	<b>Cash flows from capital and related financing activities</b>
				Acquisition of capital assets
	(96)	(654)	(1,783)	<b>Cash flows from investing activities</b>
				Investment loss
	296	(775)	996	Net increase (decrease) in cash and cash equivalents
	1,821	25,910	64,677	Cash and cash equivalents, beginning
	\$ 2,117	\$ 25,135	\$ 65,673	Cash and cash equivalents, end
				<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>
	\$ (4,740)	\$ (199)	\$ (3,319)	<b>Operating income (loss)</b>
	-	-	2,937	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:
	7	(111)	(158)	Accounts receivable
	(13)	-	(113)	Due from other funds
	-	(237)	(238)	Due from other government agencies
	-	-	(36)	Inventories
	(894)	-	(1,303)	Other assets
	-	-	(300)	Net OPEB assets
	-	-	456	Deferred outflows of resources
				Increase (decrease) in:
	(28)	(25)	(33)	Accounts payable
	-	-	16	Accrued salaries and benefits
	5	392	398	Due to other funds
	-	-	(45)	Unearned revenues
	-	-	(1,803)	Net pension liability
	-	-	(87)	Compensated absences
	-	-	(94)	Refundable deposits
	2,566	59	2,811	Estimated claims
	-	-	1,276	Deferred inflows of resources
	\$ (3,097)	\$ (121)	\$ 365	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, 2022**  
**(In Thousands)**

	<b>External Investment Pool</b>			<b>Total</b>
	Special Districts under Local Board	School Districts	Other Investment Trust	
<b>ASSETS</b>				
Cash and investments	\$ 466,912	\$ 2,249,210	\$ 883,920	\$ 3,600,042
Interest receivable	1,326	6,447	2,936	10,709
Due from other governmental agencies	10,136	-	-	10,136
Other assets	547	10	-	557
Total assets	<u>478,921</u>	<u>2,255,667</u>	<u>886,856</u>	<u>3,621,444</u>
<b>LIABILITIES</b>				
Accounts payable	2,644	-	819	3,463
Due to other governmental agencies	-	-	1	1
Other liabilities	10,136	-	45	10,181
Total liabilities	<u>12,780</u>	<u>-</u>	<u>865</u>	<u>13,645</u>
<b>NET POSITION</b>				
Net position restricted for investment pool participants	<u>\$ 466,141</u>	<u>\$ 2,255,667</u>	<u>\$ 885,991</u>	<u>\$ 3,607,799</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	<b>External Investment Pool</b>			
	Special Districts under Local Board	School Districts	Other Investment Trust	Total
<b>ADDITIONS</b>				
Contributions to investment pool	\$ 504,798	\$ 3,625,030	\$ 662,056	\$ 4,791,884
Net investment income:				
Net depreciation in fair value of investments	(16,650)	(79,800)	(31,705)	(128,155)
Interest and investment income	4,382	21,061	85,700	111,143
Total net investment income/(loss)	(12,268)	(58,739)	53,995	(17,012)
Total additions	492,530	3,566,291	716,051	4,774,872
<b>DEDUCTIONS</b>				
Distribution from investment pool	470,602	3,781,706	657,406	4,909,714
<b>Change in net position</b>	21,928	(215,415)	58,645	(134,842)
Net position - beginning	444,213	2,471,082	827,346	3,742,641
Net position - end	\$ 466,141	\$ 2,255,667	\$ 885,991	\$ 3,607,799

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2022**  
**(In Thousands)**

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 262	\$ 204,433	\$ 204,695
Receivables (net):			
Interest	<u>170</u>	<u>347</u>	<u>517</u>
Total assets	<u>432</u>	<u>204,780</u>	<u>205,212</u>
<b>LIABILITIES</b>			
Accounts payable	-	1	1
Due to other governmental agencies	23	84,600	84,623
Other liabilities	<u>-</u>	<u>23,935</u>	<u>23,935</u>
Total liabilities	<u>23</u>	<u>108,536</u>	<u>108,559</u>
<b>NET POSITION</b>			
Net position restricted for individuals, organizations, and other governments	<u>\$ 409</u>	<u>\$ 96,244</u>	<u>\$ 96,653</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
<b>ADDITIONS</b>			
Property taxes collected for other governments	\$ 278,910	\$ 3,901,449	\$ 4,180,359
Interest and investment income/(loss)	<u>271</u>	<u>(6,394)</u>	<u>(6,123)</u>
Total additions	<u>279,181</u>	<u>3,895,055</u>	<u>4,174,236</u>
<b>DEDUCTIONS</b>			
Property taxes distributed to other governments	<u>279,100</u>	<u>3,866,990</u>	<u>4,146,090</u>
<b>Change in net position</b>	81	28,065	28,146
Net position - beginning	<u>328</u>	<u>68,179</u>	<u>68,507</u>
Net position - end	<u><u>\$ 409</u></u>	<u><u>\$ 96,244</u></u>	<u><u>\$ 96,653</u></u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**  
**(In Thousands)**

	County Library	Trial Courts Operation	Public Administrator	Public Guardian	Other Custodial	Total
<b>ASSETS</b>						
Cash and investments	\$ 47,919	\$ 1,567	\$ 36,501	\$ 12,041	\$ 266,038	\$ 364,066
Receivables (net):						
Accounts	-	-	-	-	1,038	1,038
Interest	129	4	96	37	700	966
Taxes, net	1,625	-	-	-	170,165	171,790
Other	4,433	-	-	-	33,308	37,741
Due from other governmental agencies	3,262	-	-	-	26,007	29,269
Other assets	2,611	1,108	23,387	16,851	-	43,957
Total assets	<u>59,979</u>	<u>2,679</u>	<u>59,984</u>	<u>28,929</u>	<u>497,256</u>	<u>648,827</u>
<b>LIABILITIES</b>						
Accounts payable	850	-	1,277	-	5,189	7,316
Due to other governmental agencies	41	-	81	33	860	1,015
Other liabilities	11,153	2,495	14	1,054	172,218	186,934
Total liabilities	<u>12,044</u>	<u>2,495</u>	<u>1,372</u>	<u>1,087</u>	<u>178,267</u>	<u>195,265</u>
<b>NET POSITION</b>						
Net position restricted for individuals, organizations, and other governments	<u>\$ 47,935</u>	<u>\$ 184</u>	<u>\$ 58,612</u>	<u>\$ 27,842</u>	<u>\$ 318,989</u>	<u>\$ 453,562</u>

**COUNTY OF SAN MATEO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands)**

	<u>County Library</u>	<u>Trial Courts Operation</u>	<u>Public Administrator</u>	<u>Public Guardian</u>	<u>Other Custodial</u>	<u>Total</u>
<b>ADDITIONS</b>						
Contributions to investment pool	\$ 5,599	\$ 41,349	\$ -	\$ -	\$ 166,060	\$ 213,008
Contributions held on bequests	-	-	22,987	11,375	-	34,362
Property taxes collected for other governments	39,024	-	-	-	1,130,014	1,169,038
Interest and investment loss	<u>(1,224)</u>	<u>(46)</u>	<u>(975)</u>	<u>(291)</u>	<u>(11,013)</u>	<u>(13,549)</u>
Total additions	<u>43,399</u>	<u>41,303</u>	<u>22,012</u>	<u>11,084</u>	<u>1,285,061</u>	<u>1,402,859</u>
<b>DEDUCTIONS</b>						
Distribution from investment pool	19,875	41,162	-	-	157,669	218,706
Property taxes distributed to other governments	1,090	-	-	-	1,060,068	1,061,158
Beneficiary payments to individuals	-	-	8,605	19,715	-	28,320
Payments to other local governments	14,366	-	-	-	3,863	18,229
Administrative expenses	1,514	12	-	-	479	2,005
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,521</u>	<u>2,521</u>
Total deductions	<u>36,845</u>	<u>41,174</u>	<u>8,605</u>	<u>19,715</u>	<u>1,224,600</u>	<u>1,330,939</u>
<b>Change in net position</b>	<b>6,554</b>	<b>129</b>	<b>13,407</b>	<b>(8,631)</b>	<b>60,461</b>	<b>71,920</b>
Net position - beginning	<u>41,381</u>	<u>55</u>	<u>45,205</u>	<u>36,473</u>	<u>258,528</u>	<u>381,642</u>
Net position - end	<u>\$ 47,935</u>	<u>\$ 184</u>	<u>\$ 58,612</u>	<u>\$ 27,842</u>	<u>\$ 318,989</u>	<u>\$ 453,562</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.

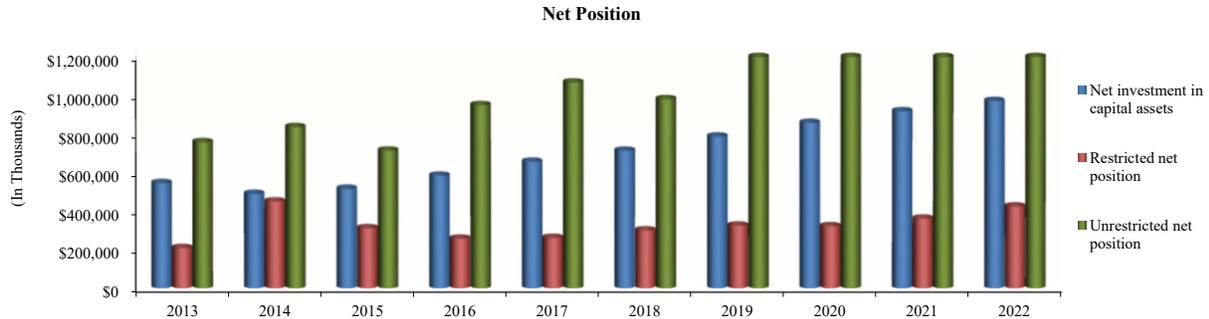
### **Operating Information**

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 482,077	\$ 418,671	\$ 441,955	\$ 508,490	\$ 579,485	\$ 634,859	\$ 706,423	\$ 779,091	\$ 836,052	\$ 889,020
Restricted for:										
Government programs <sup>3</sup>	143,399	247,541	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270
Capital projects	3,595	5,977	3,179	2,714	2,518	2,402	1,427	1,799	-	-
Debt service	60,726	195,628	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836
Unrestricted	679,125	756,305	701,449	917,413	1,032,917	975,044	1,258,498	1,443,606	1,622,679	1,974,683
Subtotal governmental activities net position	1,368,922	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
<b>Business-type Activities</b>										
Net investment in capital assets <sup>1</sup>	63,516	70,560	73,924	75,231	76,676	78,508	80,568	79,271	82,464	82,842
Restricted for:										
Housing assistance programs	-	-	84	-	-	1,383	1,782	1,518	1,318	1,837
Airport management by FAA	524	843	709	362	362	-	-	-	-	-
Fuel Dock 10 project	-	137	137	-	-	-	-	-	-	-
Unrestricted	78,690	79,936	12,685	32,816	34,911	6,229	16,874	40,477	64,858	97,692
Subtotal business-type activities net position	142,730	151,476	87,539	108,409	111,949	86,120	99,224	121,266	148,640	182,371
<b>Primary Government</b>										
Net investment in capital assets	545,593	489,231	515,879	583,721	656,161	713,367	786,991	858,362	918,516	971,862
Restricted for:										
Governmental programs	143,399	247,541	201,262	201,059	210,266	246,960	286,213	249,805	272,973	322,270
Capital projects	3,595	5,977	3,179	2,714	2,518	2,402	1,427	1,799	-	-
Debt service	60,726	195,628	105,907	52,451	47,752	49,130	35,383	68,035	86,574	99,836
Housing assistance programs	-	-	84	-	-	1,383	1,782	1,518	1,318	1,837
Airport management by FAA	524	843	709	362	362	-	-	-	-	-
Fuel Dock 10 project	-	137	137	-	-	-	-	-	-	-
Total restricted	208,244	450,126	311,278	256,586	260,898	299,875	324,805	321,157	360,865	423,943
Unrestricted	757,815	836,241	714,134	950,229	1,067,828	981,273	1,275,372	1,484,083	1,687,537	2,072,375
Total primary government net position <sup>2</sup>	\$ 1,511,652	\$ 1,775,598	\$ 1,541,291 <sup>4</sup>	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168	\$ 2,663,602	\$ 2,966,918	\$ 3,468,180
Percent of increase (decrease) in primary government net position	8.35%	17.46%	-13.20%	16.17%	10.85%	0.49%	19.69%	11.58%	11.39%	16.90%



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

Notes:

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

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

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

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<u>Governmental activities:</u>										
General government	\$ 78,988	\$ 108,980	\$ 120,104	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837	\$ 238,847	\$ 397,881	\$ 236,202
Public protection	337,059	353,458	321,375	357,729	403,393	409,330	423,996	477,616	485,608	414,152
Public ways and facilities	20,248	19,419	16,369	20,058	23,460	24,375	23,731	27,706	27,221	25,938
Health and sanitation	228,050	246,652	243,919	275,293	304,204	350,672	376,472	386,005	408,741	442,737
Public assistance	201,087	221,761	211,921	222,255	243,469	250,393	255,556	230,967	283,760	281,337
Recreation	8,621	10,420	11,537	13,171	15,483	16,252	16,839	22,676	21,148	21,895
Interest on long-term debt	16,292	16,351	22,980	22,187	19,068	17,691	22,098	22,817	23,745	28,402
Total governmental activities expenses	<u>890,345</u>	<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>Business-type activities:</u>										
San Mateo Medical Center	234,736	244,015	233,186	264,854	290,389	314,258	335,511	403,981	399,704	397,777
Airports	2,841	2,877	3,312	3,318	3,808	4,533	4,737	5,004	4,736	4,635
Coyote Point Marina	826	790	921	1,090	1,234	2,261	1,306	1,466	1,461	1,661
Housing Authority	70,578	71,052	68,016	72,783	82,567	89,191	95,526	108,385	123,320	130,654
Total business-type activities expenses	<u>308,981</u>	<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>
Total primary government expenses	<u>\$ 1,199,326</u>	<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>
<b>Program Revenues</b>										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 33,015	\$ 33,588	\$ 30,261	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674	\$ 33,198	\$ 47,995	\$ 67,696
Public protection	35,822	34,680	35,191	36,755	35,998	37,529	41,024	57,108	56,922	61,830
Public ways and facilities	2,432	2,246	2,527	2,387	2,979	3,002	3,041	3,804	3,773	4,316
Health and sanitation	72,773	73,499	104,099	91,215	92,286	91,551	106,810	102,620	110,042	118,271
Public assistance	4,273	5,085	5,898	5,880	5,416	6,147	6,165	6,263	11,718	7,361
Recreation	2,028	1,983	1,649	2,238	2,531	2,906	2,663	3,650	2,425	1,733
Operating grants and contributions	483,718	481,941	516,195	479,695	501,166	566,848	594,396	568,353	783,503	782,230
Capital grants and contributions	907	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>634,968</u>	<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>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	173,494	183,861	195,904	227,104	239,908	270,519	292,855	341,987	345,657	364,625
Airports	2,505	2,712	2,674	3,833	3,812	4,032	3,847	4,232	5,565	5,251
Coyote Point Marina	1,000	977	1,089	1,103	1,196	1,420	1,467	1,531	1,550	1,596
Housing Authority	3,647	3,402	67,625	71,351	78,238	97,623	94,057	116,163	130,386	133,330
Operating grants and contributions	66,128	70,400	5,369	3,316	1,488	1,095	71	20,339	8,584	11,072
Capital grants and contributions	5,607	6,623	2,279	5,226	6,431	4,919	5,007	4,585	3,211	4,294
Total business-type activities program revenues	<u>252,381</u>	<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>
Total primary government program revenues	<u>\$ 887,349</u>	<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>
<b>Net Expense <sup>1</sup></b>										
Governmental activities	\$ (255,377)	\$ (344,019)	\$ (252,385)	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)	\$ (631,638)	\$ (631,726)	\$ (407,226)
Business-type activities	<u>(56,600)</u>	<u>(50,759)</u>	<u>(30,495)</u>	<u>(30,112)</u>	<u>(46,925)</u>	<u>(30,635)</u>	<u>(39,776)</u>	<u>(29,999)</u>	<u>(34,268)</u>	<u>(14,559)</u>
Total primary government net expenses	<u>\$ (311,977)</u>	<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>

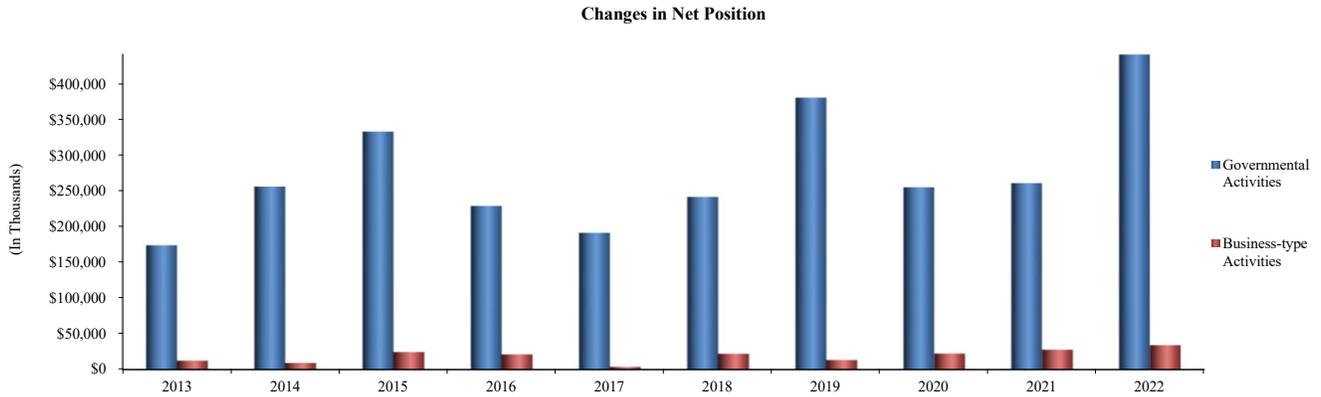
Source: Government-Wide Financial Statements - Annual Comprehensive Financial Reports, County of San Mateo, California

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

(Continued)

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

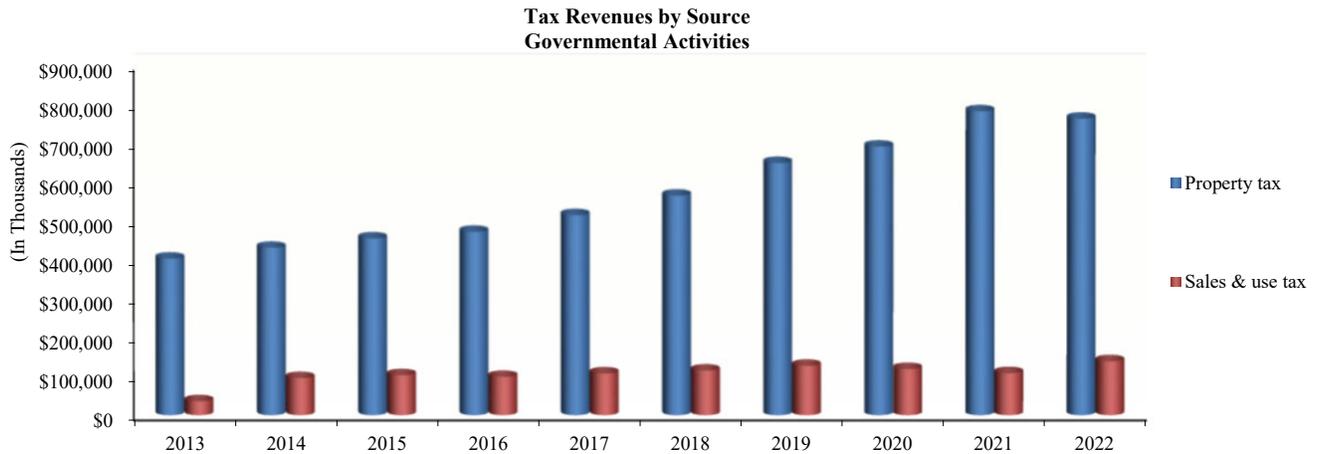
	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 403,021	\$ 430,981	\$ 455,001	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342	\$ 691,462	\$ 782,391	\$ 763,379
Property transfer taxes	6,725	8,747	10,333	9,978	10,088	11,008	11,315	10,291	13,575	16,234
Sales and use taxes	35,687	95,357	102,724	98,437	107,398	114,743	127,083	118,681	108,058	138,752
Property tax in-lieu of sales taxes	6,247	5,726	6,793	4,808	-	-	-	-	-	-
Transient occupancy taxes	1,172	1,519	1,527	1,490	1,749	2,160	1,750	1,920	2,619	4,393
Aircraft taxes	1,576	1,399	1,125	1,086	1,487	1,418	1,413	984	1,016	1,647
Vehicle rental business license tax	7,907	12,254	12,181	12,145	12,581	10,946	11,540	10,911	2,476	8,668
Unrestricted interest and investment earnings	3,863	11,861	13,742	21,026	14,859	24,828	58,417	78,726	4,094	(57,313)
Miscellaneous	31,100	39,880	35,070	27,188	42,246	44,792	45,228	60,531	36,950	47,287
Special items	-	45,283	-	(603)	-	-	-	(39,088)	-	-
Transfers	(68,570)	(53,788)	(53,939)	(49,923)	(50,265)	(50,915)	(47,783)	(48,388)	(59,443)	(48,290)
<b>Total governmental activities</b>	<b>428,728</b>	<b>599,219</b>	<b>584,557</b>	<b>597,617</b>	<b>655,079</b>	<b>724,244</b>	<b>858,305</b>	<b>886,030</b>	<b>891,736</b>	<b>874,757</b>
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	173	170	333	776	(222)	156	2,448	1,784	321	(3,231)
Miscellaneous	2,787	5,547	502	283	422	1,271	2,649	1,869	1,878	3,231
Special item	(2,806)	-	-	-	-	-	-	-	-	-
Transfers	68,570	53,788	53,939	49,923	50,265	50,915	47,783	48,388	59,443	48,290
<b>Total business-type activities</b>	<b>68,724</b>	<b>59,505</b>	<b>54,774</b>	<b>50,982</b>	<b>50,465</b>	<b>52,342</b>	<b>52,880</b>	<b>52,041</b>	<b>61,642</b>	<b>48,290</b>
<b>Total primary government</b>	<b>\$ 497,452</b>	<b>\$ 658,724</b>	<b>\$ 639,331</b>	<b>\$ 648,599</b>	<b>\$ 705,544</b>	<b>\$ 776,586</b>	<b>\$ 911,185</b>	<b>\$ 938,071</b>	<b>\$ 953,378</b>	<b>\$ 923,047</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 173,351	\$ 255,200	\$ 332,172	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549	\$ 254,392	\$ 260,010	\$ 467,531
Business-type activities	12,124	8,746	24,279	20,870	3,540	21,707	13,104	22,042	27,374	33,731
<b>Total primary government</b>	<b>\$ 185,475</b>	<b>\$ 263,946</b>	<b>\$ 356,451</b>	<b>\$ 249,245</b>	<b>\$ 194,351</b>	<b>\$ 262,694</b>	<b>\$ 392,653</b>	<b>\$ 276,434</b>	<b>\$ 287,384</b>	<b>\$ 501,262</b>



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

<b>Fiscal Year</b>	<b>Property</b>	<b>Property Transfer</b>	<b>Sales and Use Taxes</b>	<b>Property tax in-lieu of Sales Tax</b>	<b>Vehicle Rental Business License Tax</b>	<b>Transient Occupancy</b>	<b>Aircraft</b>	<b>Total</b>
2013	\$ 403,021	\$ 6,725	\$ 35,687 <sup>1</sup>	\$ 6,247	\$ 7,907 <sup>2</sup>	\$ 1,172	\$ 1,576	\$ 462,335
2014	430,981	8,747	95,357 <sup>3</sup>	5,726	12,254	1,519	1,399	555,983
2015	455,001	10,333	102,724	6,793	12,181	1,527	1,125	589,684
2016	471,985	9,978	98,437	4,808	12,145	1,490	1,086	599,929
2017	514,936	10,088	107,398	- <sup>4</sup>	12,581	1,749	1,487	648,239
2018	565,264	11,008	114,743	-	10,946	2,160	1,418	705,539
2019	649,342	11,315	127,083	-	11,540	1,750	1,413	802,443
2020	691,462	10,291	118,681	-	10,911	1,920	984	834,249
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

<b>Change</b>								
<b>2013 - 2022</b>	89.4%	141.4%	288.8%	-100.0%	9.6%	274.8%	4.5%	101.8%



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

Notes:

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

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

	As of June 30,									
<b>General Fund</b>	<u>2013</u>	<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>
Nondspendable	\$ 28,517	\$ 31,031	\$ 35,269	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648	\$ 52,353	\$ 51,008	\$ 37,538
Restricted	60,119	146,966	85,816	89,025	94,418	127,495	151,220	130,731	148,768	187,083
Committed	-	13,481	-	-	-	-	-	-	-	-
Assigned	6,190	4,410	1,623	6,584	10,235	9,860	7,802	9,334	5,970	6,279
Unassigned	342,146	380,110	641,961	744,315	791,121	835,779	1,021,356	1,221,199	1,244,535	1,561,861
Total general fund	<u>436,972</u>	<u>575,998</u>	<u>764,669</u>	<u>873,829</u>	<u>935,880</u>	<u>1,019,332</u>	<u>1,231,026</u>	<u>1,413,617</u>	<u>1,450,281</u>	<u>1,792,761</u>
<b>All Other Governmental Funds</b>										
Nondspendable	343	362	347	464	709	718	1,176	1,262	1,097	1,251
Restricted	147,601	302,180	231,898	173,410	172,118	176,633	405,002	358,807	485,465	377,185
Assigned	15,730	95,372	95,239	107,192	100,162	96,646	99,039	153,189	167,036	133,377
Unassigned	(728)	-	(479)	(561)	(546)	(435)	(259)	(789)	(907)	-
Total all other governmental funds	<u>162,946</u>	<u>397,914</u>	<u>327,005</u>	<u>280,505</u>	<u>272,443</u>	<u>273,562</u>	<u>504,958</u>	<u>512,469</u>	<u>652,691</u>	<u>511,813</u>
<b>Total Governmental Funds<sup>1</sup></b>										
Nondspendable	28,860	31,393	35,616	34,369	40,815	46,916	51,824	53,615	52,105	38,789
Restricted	207,720	449,146	317,714	262,435	266,536	304,128	556,222	489,538	634,233	564,268
Committed	-	13,481	-	-	-	-	-	-	-	-
Assigned	21,920	99,782	96,862	113,776	110,397	106,506	106,841	162,523	173,006	139,656
Unassigned	341,418	380,110	641,482	743,754	790,575	835,344	1,021,097	1,220,410	1,243,628	1,561,861
Total governmental funds	<u>\$ 599,918</u>	<u>\$ 973,912</u>	<u>\$ 1,091,674</u>	<u>\$ 1,154,334</u>	<u>\$ 1,208,323</u>	<u>\$ 1,292,894</u>	<u>\$ 1,735,984</u>	<u>\$ 1,926,086</u>	<u>\$ 2,102,972</u>	<u>\$ 2,304,574</u>

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

Notes:

<sup>1</sup> Governmental funds include general fund, special revenue funds, debt service funds, and capital projects funds.

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

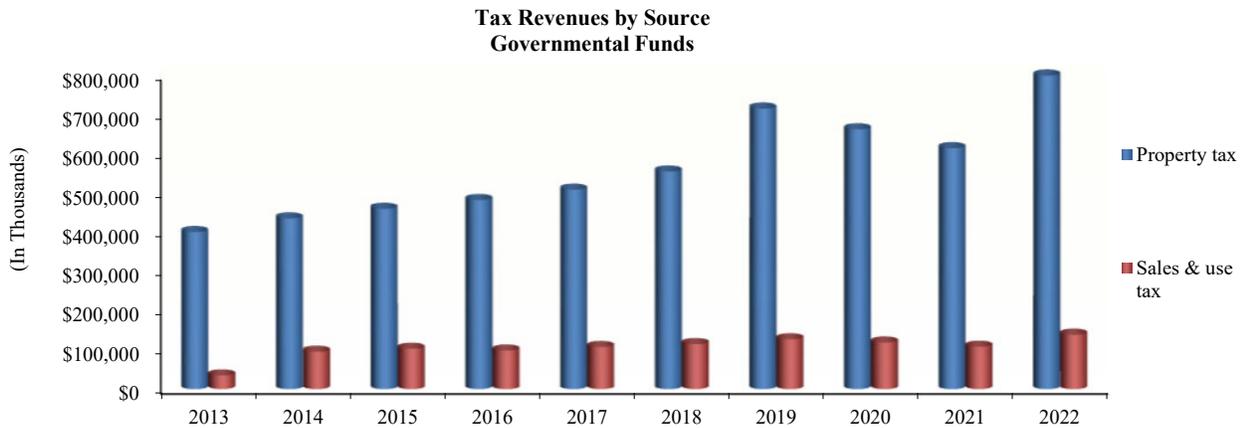
	Fiscal Year Ended June 30,										10 Year % of Increase/ Decrease
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Revenues</b>											
Taxes	\$ 453,666	\$ 554,773	\$ 587,811	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	\$ 805,567	\$ 742,389	\$ 997,768	119.93%
Licenses and permits	9,082	9,678	10,023	7,963	10,982	11,283	11,428	10,957	11,126	11,650	28.28%
Intergovernmental	493,731	470,364	508,386	494,214	501,439	542,832	576,465	602,183	771,675	765,150	54.97%
Charges for services	114,940	140,023	176,654	161,243	153,387	163,242	169,368	185,000	225,526	240,597	109.32%
Fines, forfeitures and penalties	12,409	11,476	11,098	11,679	9,486	9,994	11,378	9,807	7,836	8,687	-29.99%
Rents and concessions	1,708	3,538	1,178	1,769	1,655	1,664	1,602	1,994	2,187	2,604	52.46%
Investment income (loss)	3,731	10,352	12,187	18,371	12,705	22,489	54,856	75,078	1,830	(54,381)	-1557.54%
Other revenues	29,606	31,682	28,529	24,800	29,557	28,522	27,794	41,336	33,176	39,842	34.57%
<b>Total revenues</b>	<b>1,118,873</b>	<b>1,231,886</b>	<b>1,335,866</b>	<b>1,325,560</b>	<b>1,361,209</b>	<b>1,475,385</b>	<b>1,721,783</b>	<b>1,731,922</b>	<b>1,795,745</b>	<b>2,011,917</b>	<b>79.82%</b>
<b>Expenditures</b>											
<b>Current:</b>											
General government*	72,902	100,404	119,377	109,491	115,071	146,140	136,521	201,816	396,922	259,536	256.01%
Public protection*	328,862	342,040	358,412	387,217	399,087	409,443	431,708	435,617	447,202	450,449	36.97%
Public ways and facilities	19,599	18,910	16,790	20,284	22,225	23,575	23,171	25,663	25,262	25,942	32.36%
Health and sanitation	222,494	243,850	258,824	287,217	305,386	354,334	383,507	372,682	395,870	462,143	107.71%
Public assistance	200,458	220,554	225,296	232,283	245,416	254,197	262,152	223,089	275,127	295,989	47.66%
Recreation	8,005	9,633	11,553	12,992	14,629	15,314	16,100	20,023	18,649	21,343	166.62%
Capital outlay	34,384	76,041	125,473	97,594	67,477	57,103	99,858	126,002	124,741	215,064	525.48%
<b>Debt service:</b>											
Principal	13,645	14,340	14,130	15,054	33,680	34,008	33,590	32,163	28,957	27,668	102.77%
Interest	16,914	16,278	24,377	22,926	20,622	20,080	20,248	26,336	27,317	31,188	84.39%
Payment to bond refunding escrow	-	1,085	-	9,758	-	-	-	-	-	-	0.00%
Bond issuance costs	-	1,042	-	1,506	-	-	1,454	274	1,451	43	100.00%
Bond insurance costs	-	-	-	-	7	16	33	56	43	-	0.00%
<b>Total expenditures</b>	<b>917,263</b>	<b>1,044,177</b>	<b>1,154,232</b>	<b>1,196,322</b>	<b>1,223,600</b>	<b>1,314,210</b>	<b>1,408,342</b>	<b>1,463,721</b>	<b>1,741,541</b>	<b>1,789,365</b>	<b>95.08%</b>
<b>Excess of revenues over expenditures</b>	<b>201,610</b>	<b>187,709</b>	<b>181,634</b>	<b>129,238</b>	<b>137,609</b>	<b>161,175</b>	<b>313,441</b>	<b>268,201</b>	<b>54,204</b>	<b>222,552</b>	<b>10.39%</b>
<b>Other financing sources (uses)</b>											
Issuance of debt	-	-	1,332	619	222	1,974	217,744	-	153,005	-	0.00%
Proceeds from sale of capital assets	3	3	-	9	33	3	3	-	-	-	-100.00%
Issuance of refunding bonds	-	215,130	-	126,325	-	-	-	45,170	-	-	0.00%
Premium on lease revenue and revenue refunding bonds	-	27,308	-	18,690	-	-	13,860	4,090	17,667	-	0.00%
Payment to bond refunding escrow/agent	-	(39,155)	-	(143,364)	-	-	-	(49,993)	-	-	0.00%
Leases	-	-	-	-	-	-	-	-	-	36,920	100.00%
Transfers in	85,919	168,487	89,486	133,978	135,225	153,067	158,943	226,064	180,939	188,408	119.29%
Transfers out	(154,458)	(222,542)	(144,690)	(183,297)	(185,500)	(204,018)	(210,233)	(274,707)	(244,861)	(241,178)	56.14%
<b>Total other financing sources (uses)</b>	<b>(68,536)</b>	<b>149,231</b>	<b>(53,872)</b>	<b>(47,040)</b>	<b>(50,020)</b>	<b>(48,974)</b>	<b>180,317</b>	<b>(49,376)</b>	<b>106,750</b>	<b>(15,850)</b>	<b>-76.87%</b>
<b>Change in fund balances before special item</b>	<b>133,074</b>	<b>336,940</b>	<b>127,762</b>	<b>82,198</b>	<b>87,589</b>	<b>112,201</b>	<b>493,758</b>	<b>218,825</b>	<b>160,954</b>	<b>206,702</b>	<b>55.33%</b>
Special item	-	37,054	(10,000)	(19,538)	(33,600)	(27,630)	(50,668)	(28,723)	-	-	0.00%
<b>Net change in fund balances</b>	<b>\$ 133,074</b>	<b>\$ 373,994</b>	<b>\$ 117,762</b>	<b>\$ 62,660</b>	<b>\$ 53,989</b>	<b>\$ 84,571</b>	<b>\$ 443,090</b>	<b>\$ 190,102</b>	<b>\$ 160,954</b>	<b>\$ 206,702</b>	<b>55.33%</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.46%</b>	<b>3.16%</b>	<b>3.74%</b>	<b>3.46%</b>	<b>4.70%</b>	<b>4.30%</b>	<b>4.11%</b>	<b>4.37%</b>	<b>3.48%</b>	<b>3.74%</b>	

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. Beginning in FY 2012-13, departments directly transferred their shares to these two funds (as "transfers out" in lieu of "program expenses"). This new method essentially changed the way expenditures were recorded and reported in FY 2012-13.

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales &amp; Use Taxes</b>	<b>Property Transfer Taxes</b>	<b>Vehicle Rental Business License Tax</b>	<b>All Other Taxes</b>	<b>Total</b>
2013	\$ 400,683	\$ 34,779	\$ 6,725	\$ 7,907	\$ 3,572	\$ 453,666
2014	435,497	95,357 <sup>1</sup>	8,747	12,254	2,918	554,773
2015	459,921	102,724	10,333	12,181	2,652	587,811
2016	482,385	98,437	9,978	12,145	2,576	605,521
2017	508,695	107,398	10,088	12,581	3,236	641,998
2018	555,084	114,743	11,008	10,946	3,578	695,359
2019	715,791 <sup>4</sup>	127,083	11,315	11,540	3,163	868,892
2020	662,780	118,681	10,291	10,911	2,904	805,567
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
<b>10 year % of change</b>	106.7%	299.0%	141.4%	9.6%	69.1%	119.9%



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

<sup>1</sup> The sharp increase in sales and use tax revenue is predominantly from the passage of Measure A, which increased the County's sales tax by half a cent for the next 10 years since its inception on April 1, 2013.

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

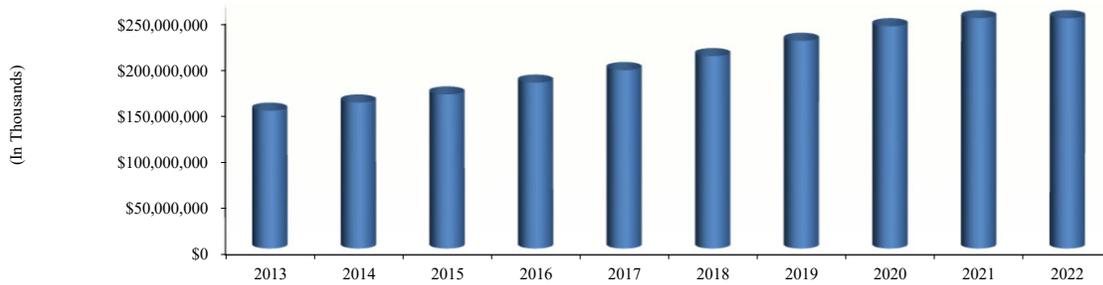
<sup>3</sup> In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle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

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

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

<b>Fiscal Year</b>	<b>Real Property<sup>2</sup></b>	<b>Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Plus: Tax Exempt Homeowner</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>% of Change Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2013	\$ 146,967,831	\$ 6,381,748	\$ 4,624,208	\$ 904,167	\$ 149,629,538	3%	1%
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%
<b>10 year % of Change</b>	82.12%	47.69%	94.07%	-9.20%	79.73%		

**Total Taxable Assessed Value**



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

Notes:

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

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

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

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

<b>Fiscal Year<sup>3</sup></b>	<b>Direct Rate<sup>1</sup></b>	<b>Overlapping Rates<sup>2</sup></b>			<b>Total</b>
	<b>County General</b>	<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	
2013	1.0000	0.0009	0.1057	0.0042	1.1108
2014	1.0000	0.0009	0.1100	0.0039	1.1148
2015	1.0000	0.0008	0.1234	0.0037	1.1279
2016	1.0000	0.0011	0.1284	0.0032	1.1327
2017	1.0000	0.0010	0.1333	0.0029	1.1372
2018	1.0000	0.0010	0.1315	0.0027	1.1352
2019	1.0000	0.0014	0.1235	0.0025	1.1274
2020	1.0000	0.0013	0.1328	0.0023	1.1364
2021	1.0000	0.0013	0.1254	0.0044	1.1311
2022	1.0000	0.0012	0.1285	0.0037	1.1334

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

Notes:

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

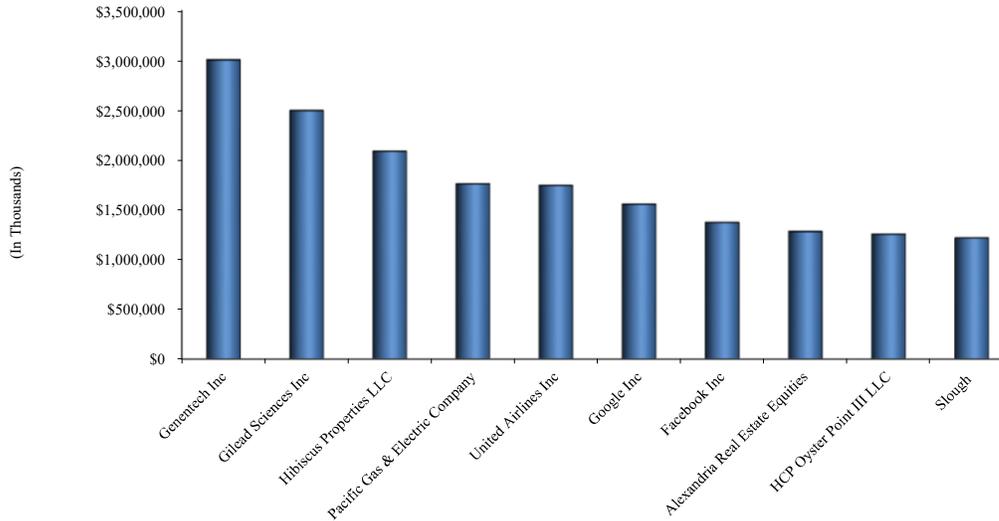
<sup>2</sup> These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

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

**COUNTY OF SAN MATEO**  
**Principal Property Assesseees**  
**As of January 1, 2022 and January 1, 2013**  
**(In Thousands)**

<u>Assessee</u>	<u>Nature of Business</u>	As of January 1, 2022			As of January 1, 2013		
		Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value <sup>2</sup>	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value
Genentech Inc	Biotechnology	\$ 3,007,329	1	1.12%	\$ 1,732,000	1	1.16%
Gilead Sciences Inc	Biopharmaceutical	2,497,037	2	0.93%	690,124	6	0.46%
Hibiscus Properties LLC	Real Estate	2,088,599	3	0.78%			
Pacific Gas & Electric Company	Natural Gas Company	1,760,129	4	0.65%			
United Airlines Inc	Air Carrier	1,744,576	5	0.65%	1,077,864	2	0.72%
Google Inc	Technology	1,556,034	6	0.58%			
Facebook Inc	Technology	1,373,287	7	0.51%			
Alexandria Real Estate Equities	Real Estate	1,281,566	8	0.48%			
HCP Oyster Point III LLC	Biotechnology	1,254,756	9	0.47%			
Slough	Lease	1,216,947	10	0.45%			
Slough BTC	Lease				571,241	3	0.38%
Slough SSF LLC	Lease				486,639	4	0.33%
Oracle Corporation	Software				477,493	5	0.32%
Pacific Shores Investors	Investment				408,204	7	0.27%
Virgin America Inc	Air Carrier				385,701	8	0.26%
Well Real Estate Investment Trust	Real Estate				325,159	9	0.22%
Continental Airlines Inc.	Air Carrier				312,497	10	0.21%
Total		\$ 17,780,260		6.61%	\$ 6,466,922		4.32%

**Principal Property Assesseees**  
**As of January 1, 2022**



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

Notes:

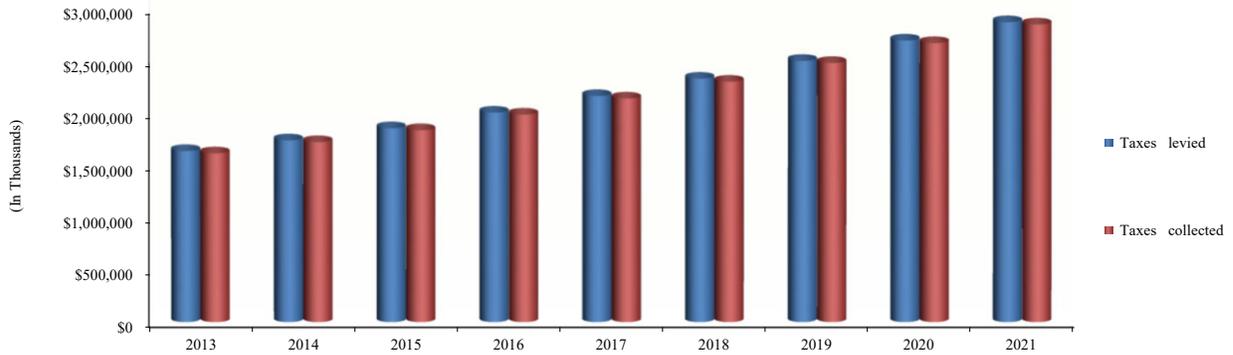
<sup>1</sup> Taxable assessed value includes locally and state assessed real and personal properties.

<sup>2</sup> Total taxable assessed value as of January 1, 2021 was approximately \$257 billion.

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

Fiscal Year	Total Tax Levy for the Fiscal Year					Collected within the Fiscal Year of the Levy			Total Collections to Date	
	General Levy <sup>1</sup>	Debt Service Levy <sup>2</sup>				Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
	Countywide	Local Special Districts	Schools	Cities	Total <sup>3</sup>					
2013	\$ 1,496,295	\$ 1,235	\$ 137,591	\$ 5,442	\$ 1,640,563	\$ 1,615,533	98.47%	\$ 3,054	\$ 1,618,587	98.66%
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%	4,831	2,853,813	99.23%
2022	2,689,271	2,755	301,732	8,577	3,002,335	2,983,060	99.36%	n/a	2,983,060	99.36%

**Property Tax Levies and Collections**



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

Notes:

Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax and debt service revenues.

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

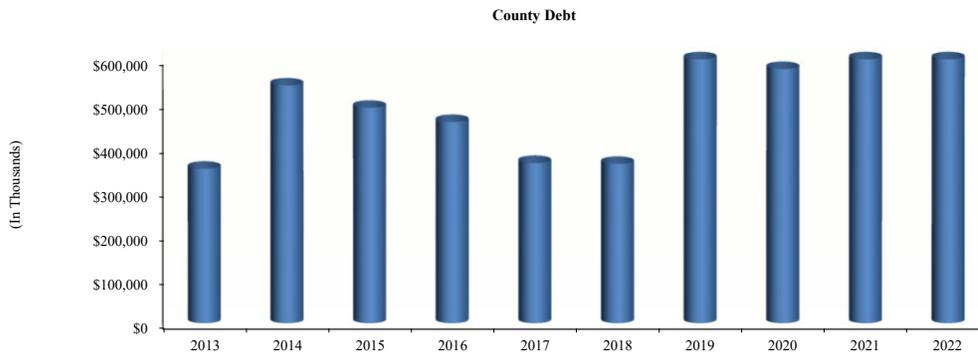
<sup>2</sup> Figures represent debt service levy for the local taxing agencies.

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

n/a - Information is unavailable.

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

Fiscal Year	Governmental Activities							Business-Type Activities				Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita (In Absolute \$)
	Lease Revenue Bonds <sup>1</sup>	Certificates of Participation <sup>2</sup>	Revenue Refunding Bonds <sup>3</sup>	Notes Payable	Leases Payable	Other Long-term Obligation	Subtotal	Notes Payable	Leases Payable	Other Long-term Obligation	Subtotal			
2013	\$ 324,091	\$ 22,322	\$ -	\$ 124	\$ -	\$ 1,887	\$ 348,424	\$ 2,818	\$ -	\$ -	\$ 2,818	\$ 351,242	0.53%	\$ 477
2014	513,149	21,914	-	124	-	1,486	536,673	3,865	-	-	3,865	540,538	0.76%	725
2015	460,065	23,436	-	-	-	2,293	485,794	4,000	-	-	4,000	489,794	0.62%	698
2016	432,360	-	18,725	-	-	2,946	454,031	3,511	-	-	3,511	457,542	0.56%	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	0.54%	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	1,050



Source: County Annual Comprehensive Financial Reports.

Notes:

<sup>1</sup> Lease revenue bonds are limited obligations of the San Mateo County Joint Powers Financing Authority (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.

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

<sup>3</sup> In FY 2015-16, the San Mateo County Flood Control District issued \$21.5 million Revenue Refunding Bonds to refund the certificates of participation.

<sup>4</sup> In FY 2019-20, Revenue Refunding Bonds were transferred out of the County as part of the transition of the Colma Creek Flood Control District from the County's reporting entity pursuant to Assembly Bill No. 825.

n/a - Information is unavailable.

**COUNTY OF SAN MATEO**  
**Direct and Overlapping Debt**  
**As of June 30, 2022**  
**(In Thousands)**

Assessed valuation (including unitary utility valuation)	\$ 268,625,895		
Redevelopment Incremental Assessed Valuation	\$ 27,996,285		
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
	<b>Debt</b>	<b>Estimated</b>	<b>Estimated</b>
	<b>Outstanding</b>	<b>Percentage</b>	<b>Share of</b>
		<b>Applicable<sup>1</sup></b>	<b>Overlapping</b>
			<b>Debt<sup>4</sup></b>
<b>Direct General Fund Obligation Debt</b>			
San Mateo County General Fund Obligations	\$ 677,050	100.00%	\$ 677,050
Other long-term obligations	3,944	100.00%	3,944
<b>Total direct debt</b>	680,994		680,994
<b>Overlapping General Fund Obligation Debt</b>			
<i>Cities</i>			
City of Burlingame General Fund and Pension Obligations	44,450	100.00%	44,450
City of Daly City Pension Obligations	8,250	100.00%	8,250
City of Pacifica General Fund Obligations and Pension Obligations	20,490	100.00%	20,490
City of San Mateo General Fund Obligations	62,155	100.00%	62,155
City of South San Francisco General Fund Obligation Bonds	191,610	100.00%	191,610
Other City General Fund and Pension Obligations	80,246	100.00%	80,246
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	99,706	32.54%	32,446
Menlo Park Fire Protection District Certificates of Participation	9,275	100.00%	9,275
Woodside Fire Protection District Certificates of Participation	12,745	100.00%	12,745
Highland Recreation District General Fund Obligations	2,161	100.00%	2,161
San Mateo County Flood and Sea LRR District General Fund Obligations	14,675	100.00%	14,675
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,825	100.00%	3,825
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	6,490	100.00%	6,490
South San Francisco Unified School District Certificates of Participation	2,980	100.00%	2,980
Jefferson Union High School District Certificates of Participation	47,490	100.00%	47,490
Portola Valley School District Certificates of Participation	1,099	100.00%	1,099
San Bruno School District General Fund Obligations	2,145	100.00%	2,145
<b>Total overlapping general fund obligation debt</b>	609,792		542,532
<b>Overlapping Tax and Assessment Debt</b>			
<i>Cities</i>			
	136,880	100.00%	136,880
<i>Special Districts</i>			
Midpeninsula Open Space Park District	84,575	32.54%	27,522
Montara Sanitary District	6,145	100.00%	6,145
Community Facilities Districts	106,700	100.00%	106,700
1915 Act Bonds	7,653	100.00%	7,653
<i>School Districts</i>			
San Mateo Community College District	733,897	100.00%	733,897
Cabrillo Unified School District	115,675	100.00%	115,675
La Honda-Pescadero Unified School District	13,137	100.00%	13,137
South San Francisco School District	164,132	100.00%	164,132
Jefferson Union High School District	250,808	100.00%	250,808
San Mateo Union High School District	665,231	100.00%	665,231
Sequoia Union High School District	475,140	100.00%	475,140
Belmont-Redwood Shores School and School Facilities Improvement Districts	122,453	100.00%	122,453
Burlingame School District	163,366	100.00%	163,366
Hillsborough School District	70,535	100.00%	70,535
Jefferson School District	116,340	100.00%	116,340
Menlo Park City School District	119,645	100.00%	119,645
Millbrae School District	122,783	100.00%	122,783
Redwood City School District	177,986	100.00%	177,986
San Carlos School District	105,867	100.00%	105,867
San Mateo - Foster City School District	398,028	100.00%	398,028
Other School District	357,831	100.00%	357,831
<b>Total overlapping tax and assessment debt</b>	4,514,807		4,457,754
<b>Overlapping Tax Increment Debt</b>			
	129,791	100.00%	129,791
<b>Total overlapping debt</b>	5,254,390		5,130,077
<b>Total direct and overlapping debt</b>	\$ 5,935,384 <sup>2</sup>		\$ 5,811,071
Ratio of total direct and overlapping debt to adjusted assessed value:			
	2.21%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value <sup>3</sup> of \$27,996,285			
	0.46%		

Source: California Municipal Statistics, Inc.

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

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

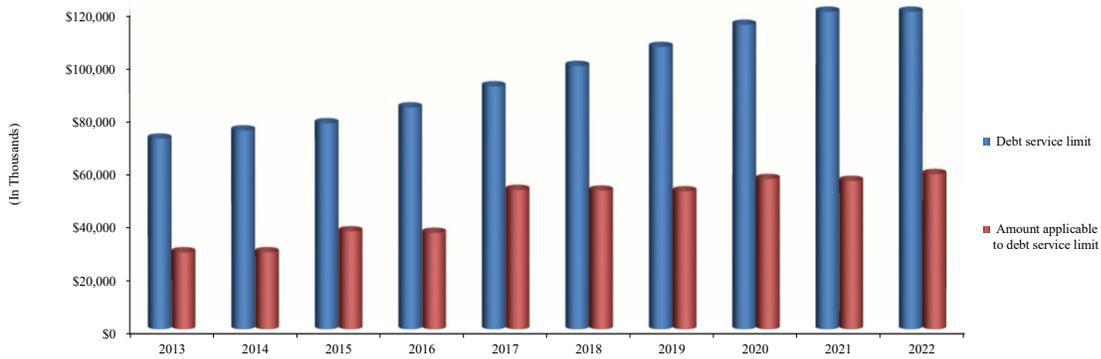
<sup>3</sup> Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment.

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

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

	<u>2013</u>	<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>
<b>Average Annual County budget <sup>1</sup> for the current and preceding four fiscal years</b>	\$ 1,800,809	\$ 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
<b>Legal debt service limit <sup>2</sup></b>										
4% of average county annual budget for the current and preceding four fiscal years	72,032	75,151	77,849	83,839	91,816	99,517	106,682	115,064	129,210	130,479
<b>Less: Amount applicable to debt service limit <sup>3</sup></b>	<u>(29,065)</u>	<u>(29,086)</u>	<u>(36,996)</u>	<u>(36,436)</u>	<u>(52,661)</u>	<u>(52,384)</u>	<u>(52,119)</u>	<u>(56,781)</u>	<u>(56,060)</u>	<u>(58,641)</u>
<b>Legal debt service margin</b>	<b>\$ 42,967</b>	<b>\$ 46,065</b>	<b>\$ 40,853</b>	<b>\$ 47,403</b>	<b>\$ 39,155</b>	<b>\$ 47,133</b>	<b>\$ 54,563</b>	<b>\$ 58,283</b>	<b>\$ 73,150</b>	<b>\$ 71,838</b>
<b>Legal debt service margin as a percentage of debt service limit</b>	59.65%	61.30%	52.48%	56.54%	42.65%	47.36%	51.15%	50.65%	56.61%	55.06%

**Legal Debt Service Limit**



Source: County's Adopted Budget Books

Notes:

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

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

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

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

	<b>1993 Lease Revenue Bonds</b>	<b>2013 Lease Revenue Bonds</b>
<b>Purpose:</b>	Defeased 1991 Certificates of Participation and financed the costs of a parking garage and jail.	To provide funds, together with other available moneys, (i) to redeem outstanding 1997, 1999, and 2001 Bonds, (ii) finance certain capital improvements, and (iii) to pay costs of issuance of the 2013 Bonds.
<b>Funding Source:</b>	General Fund and Criminal Justice Facilities Fund.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2013	\$ 5,073	\$ 3,085	\$ 2,276	0.95	\$ -	\$ -	\$ -	-
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

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

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

	<b>1993 Satellite Clinic</b>	<b>2018 Lease Revenue Bonds</b>
<b>Purpose:</b>	To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.	To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3, (ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.
<b>Funding Source:</b>	Health department.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
2018	\$ 925	\$ 233	\$ 692	1.00	\$ -	\$ -	\$ -	-
2019	955	227	728	1.00	1,669	-	1,669	1.00
2020	995	220	775	1.00	10,013	-	10,013	1.00
2021	1,035	216	819	1.00	10,013	-	10,013	1.00
2022	1,075	209	866	1.00	11,159	1,175	9,984	1.00

(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>
<b>Purpose:</b>	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.
<b>Funding Source:</b>	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio <sup>1</sup>	Available	Debt Service		Coverage ratio <sup>1</sup>
	Revenue	Principal	Interest		Revenue	Principal	Interest	
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

Sources:

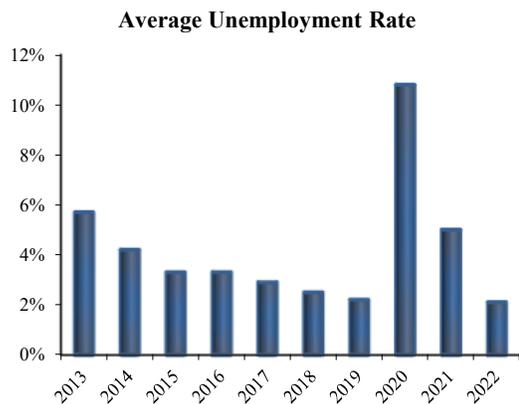
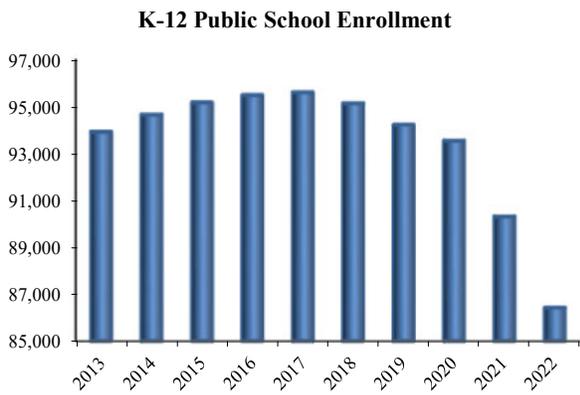
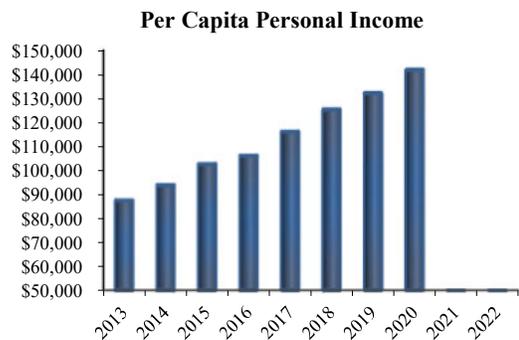
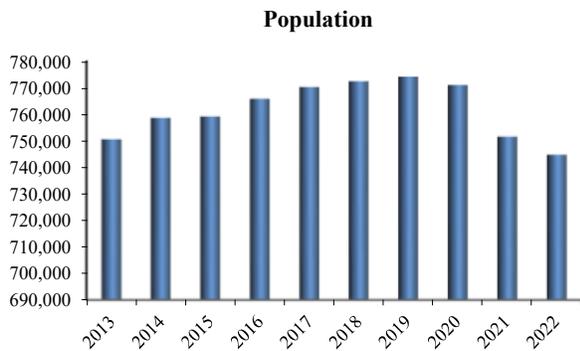
Available revenue - per contributions from responsible departments.

Principal and interest - per debt service schedules.

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

**COUNTY OF SAN MATEO**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<b>Year</b>	<b>Population</b> <sup>1</sup> (January 1st)	<b>Total Personal Income</b> <sup>5</sup> (in millions)	<b>Per Capita Personal Income</b> <sup>5</sup>	<b>Median Age</b> <sup>4</sup>	<b>K-12 Public School Enrollment</b> <sup>2</sup>	<b>Average Unemployment Rate</b> <sup>3</sup>
2013	750,489	\$ 65,656	\$ 87,501	39.3	93,931	5.7%
2014	758,581	71,027	93,802	39.4	94,667	4.2%
2015	759,155	78,525	102,639	39.8	95,187	3.3%
2016	765,895	81,488	106,115	39.5	95,502	3.3%
2017	770,256	89,223	116,077	39.9	95,620	2.9%
2018	772,372	96,306	125,332	39.9	95,155	2.5%
2019	774,231	101,056	132,133	39.9	94,234	2.2%
2020	771,061	107,559	141,841	39.8	93,554	10.8% <sup>6</sup>
2021	751,596	n/a	n/a	40.8	90,315	5.0%
2022	744,662	n/a	n/a	n/a	86,422	2.1%



**Sources:**

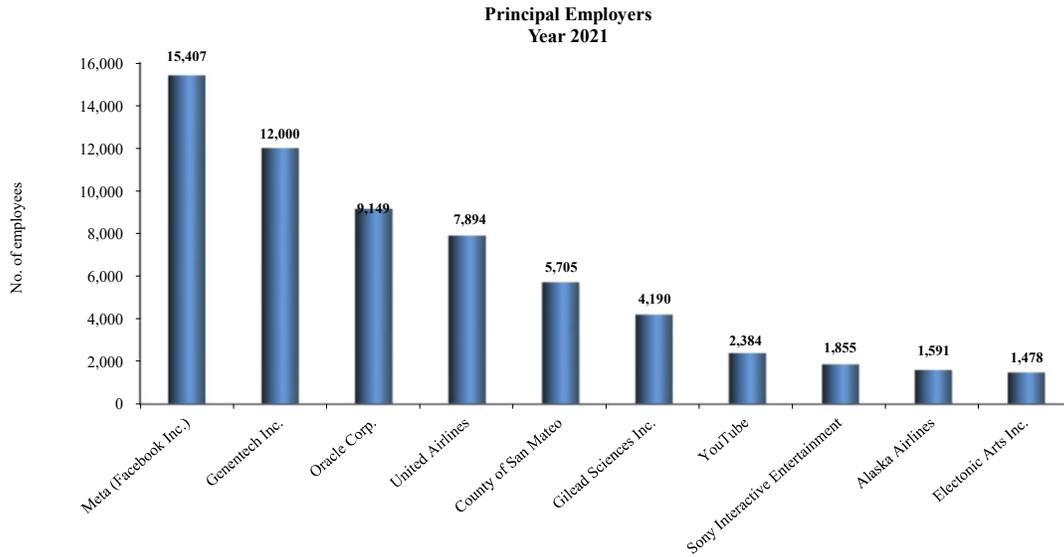
- <sup>1</sup> Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- <sup>2</sup> Data include retroactive revisions by the State of California Department of Education.
- <sup>3</sup> Data include retroactive revisions by the State of California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

**Note:**

All data are presented in calendar year except for public school enrollment and average unemployment rate.  
n/a - Information is unavailable.

**COUNTY OF SAN MATEO  
Principal Employers  
Year 2021 and Year 2013**

Employer	Business Type	2021 <sup>1</sup>			2013		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Meta (Facebook Inc.)	Social Network	15,407	1	3.51%	2,865	7	0.75%
Genentech Inc.	Biotechnology	12,000	2	2.73%	8,800	2	2.30%
Oracle Corp.	Hardware and Software	9,149	3	2.08%	6,524	3	1.71%
United Airlines	Airline	7,894	4	1.80%	10,000	1	2.62%
County of San Mateo	Government	5,705	5	1.30%	5,929	4	1.55%
Gilead Sciences Inc.	Biotechnology	4,190	6	0.95%	2,596	8	0.68%
YouTube	Online Video-Streaming Platform	2,384	7	0.54%			
Sony Interactive Entertainment	Interactive Entertainment	1,855	8	0.42%			
Alaska Airlines	Airline	1,591	9	0.36%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,478	10	0.34%			
Visa USA/Visa International	Global Payments Technology				2,895	6	0.76%
Kaiser Permanente	Health Care				3,911	5	1.02%
Mills-Peninsula Health Services	Health Care				2,200	9	0.58%
Safeway Inc.	Retail Grocer				2,195	10	0.57%
<b>Total</b>		<b>61,653</b>		<b>14.03%</b>	<b>47,915</b>		<b>12.55%</b>



Source: San Francisco Business Times - 2022 Book of Lists.  
California Employment Development Department

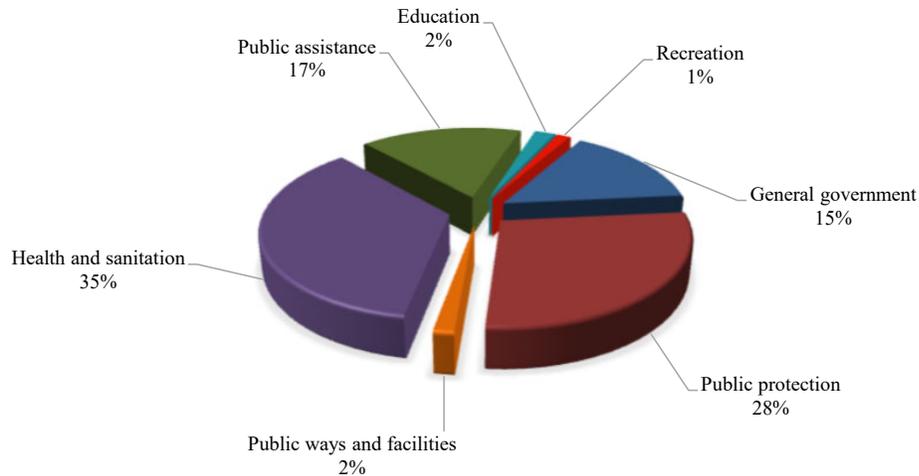
Notes:

<sup>1</sup> The latest information available for principal employers in the County.

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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government	700	704	706	746	762	796	811	866	863	863
Public protection	1,422	1,454	1,531	1,545	1,581	1,606	1,621	1,592	1,603	1,591
Public ways and facilities	86	86	85	92	86	86	86	87	87	87
Health and sanitation	1,802	1,851	1,906	1,961	1,955	1,976	2,011	2,015	2,002	2,024
Public assistance	931	979	915	921	924	924	928	939	938	943
Education	108	108	109	110	109	111	111	113	116	122
Recreation	49	59	57	64	68	71	72	74	74	75
Total full-time equivalent employees <sup>1</sup>	5,098	5,241	5,309	5,439	5,485	5,570	5,640	5,686	5,683	5,705

**Full-time Equivalent County Employees by Function**  
**As of June 30, 2021**



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

Notes:

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

**COUNTY OF SAN MATEO**  
**Operating Indicators by Function**  
**Fiscal Years 2020-2021**

Function <sup>1</sup>	Fiscal Year <sup>2</sup>	
	2020	2021
<b>General Government</b>		
<i>County Executive's Office</i>		
Issuer credit rating from Moody's/Standard & Poor's	Aaa/AAA	Aaa/AAA
<i>County Counsel</i>		
Percent of post-litigation survey respondents rating services	100%	100%
<i>Treasurer Tax Collector</i>		
Dollar earnings in County pool due to investments	\$106M	\$74M
<b>Public Protection</b>		
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general jurisdiction	14,405	10,000
Number of client complaints		
Relationship issues	53	54
Performance issues	43	10
<i>Sheriff's Office</i>		
Forensic Laboratory		
Average Number of Days to Analyze Sexual Assault Kits with Qualifying DNA Profiles and enter in CODIS	96	120
Patrol Bureau		
Average response time for priority one calls	5 mins	5 mins
Percent of Domestic Violence Calls Successfully Referred to Intervention Programs	100%	100%
Investigations Bureau		
Annual clearance rates of violent crimes	65%	60%
Maguire Correctional Facility		
Percent of Inmates Working with In-Custody Case Managers	86%	75%
<i>Probation Department</i>		
Administrative Services		
Number of diversity/cultural sensitivity-related training hours completed by sworn staff	586	550
Adult and Juvenile Services		
<sup>3</sup> Adult and juvenile offenders successfully completing probation	n/a	70%
<i>Coroner's Office</i>		
Average Cost per Investigation	\$1,651	\$2,482
Percent of cases closed within 90 days	75%	78%
<b>Public Ways and Facilities</b>		
<i>Department of Public Works</i>		
Community Services		
<sup>3</sup> Number of non-traditional/innovative features incorporated into Department managed projects	n/a	3
Engineering Services		
<sup>3</sup> Number of non-traditional/innovative features incorporated into Department managed projects	n/a	3
Construction Services		
<sup>3</sup> Increase the productivity rate percent of construction services staff to 65 percent	n/a	51%
Utilities		
Streetlights repaired in ten working days	95%	95%
Airports		
Utilize technology to track aircraft flight paths and adherence with noise abatement procedures	97%	92%
<b>Health and Sanitation</b>		
<i>Health System</i>		
Health Services		
Life expectancy (age)	86	86
<sup>3</sup> Reduce gap in COVID-19 test positivity between lowest health places index communities and countywide levels	n/a	4.3%
Health Administration		
<sup>3</sup> Percent staff participation in racial equity training	n/a	25%
Public Health, Policy and Planning		
Percent of HIV clients with undetectable viral load	95%	92%
Health Coverage Unit		
Percent of residents enrolled in ACE	2.9%	3.4%

Source: County's Recommended Budget for FY 2021-23

n/a - not applicable

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

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

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

(Continued)

**COUNTY OF SAN MATEO**  
**Operating Indicators by Function (continued)**  
**Fiscal Years 2020-2021**

Function <sup>1</sup>	Fiscal Year <sup>2</sup>	
	2020	2021
<b>Health and Sanitation</b>		
<i>Health System</i>		
Emergency Medical Services		
Healthcare coalition members identified as small board and care facilities utilizing ReddiNet	0%	24%
Aging and Adult Services		
<sup>3</sup> Percent of eligible AAS clients who have received COVID-19 vaccination	n/a	45%
Environmental Health Services		
Number of violations observed in multifamily homes	1,193	600
Behavioral Health and Recovery Administration		
<sup>3</sup> Administrative staff who have taken at least three of the Harvard implicit association tests	n/a	30%
Mental Health Youth Services		
<sup>3</sup> Eligible youth clients who have received COVID-19 vaccination	n/a	30%
Mental Health Adult Services		
<sup>3</sup> Eligible adult clients who have received COVID-19 vaccination	n/a	30%
Alcohol and Other Drug Services		
BHRS clients who received substance abuse treatment	n/a	30%
Family Health Services		
Breastfeeding rate of WIC babies at 6-Months-old, San Mateo County	50%	54%
Correctional Health Services		
<sup>3</sup> Incarcerated individuals diagnosed with a substance use disorder who are engaged in medication assisted treatment	n/a	10%
San Mateo Medical Center		
Percent gap in controlled hypertension between black patients and SMMC average across all populations	3.6%	3.0%
<sup>3</sup> Eligible SMMC patients who have received COVID-19 vaccination	n/a	65%
<b>Public Assistance</b>		
<i>First 5 San Mateo County</i>		
<sup>3</sup> Number of clients served	9,861	9,500
<i>IHSS Public Authority</i>		
<sup>3</sup> Eligible IHSS providers who have received COVID-19 vaccination	n/a	50%
<i>Human Services Agency</i>		
Key Performance Measures		
<sup>3</sup> Staff participation in racial equity training	n/a	50%
Number of clients served by employment services	924	736
Vocational Rehabilitation Services (VRS)		
Number of clients served by VRS	597	560
Homeless and Safety Net Services		
<sup>3</sup> Number of clients served by Core Service agencies	40,740	40,740
Community Capacity		
Number of clients served by the County Veterans Services Office	5,212	5,400
<i>Department of Child Support Services</i>		
Social Services		
Current Child Support collected	71%	71%
Cases with a Child Support order	95%	95%
Cases with a payment towards arrears	80%	80%
Children in caseload with paternity established or acknowledged compared to births in the County	100%	100%
<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)	13,672	12,510
Percent of housing voucher utilization	97%	99%
Housing Authority		
Family self-sufficiency program participants exiting the voucher program with increased economic self-sufficiency	19	23
<b>Recreation</b>		
<i>Parks &amp; Recreation</i>		
<sup>3</sup> Reservations made by individuals residing in disadvantaged communities within San Mateo County	n/a	5%
<sup>3</sup> Interpretative programs offered to disadvantaged communities within San Mateo County	n/a	30%
Total acreage of fire fuel reduced	300	300
<i>Coyote Point Marina</i>		
Percent of berths filled	80%	77%

Source: County's Recommended Budget for FY 2021-23

n/a - not applicable

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

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

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>										
<b>General government</b>										
Child care centers	2	2	2	2	2	2	2	2	2	2
Fairground	1	1	1	1	1	1	1	1	1	1
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	4	5	7	7
Parking structures	2	2	2	2	2	2	2	1	2	2
<b>Public protection</b>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Jail	2	2	2	2	3	3	3	2	2	2
Youth services center	1	1	1	1	1	1	1	1	1	1
<b>Public ways and facilities</b>										
Road										
Pavement (miles)	315.50	315.50	315.80	316.10	316.20	316.23	316.23	316.16	316.16	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	4	2	6	6	6	6
Lighted Crosswalks	4	4	6	6	8	6	14	14	16	18
Radar Feedback signs	11	11	11	11	14	11	22	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	20	21	21	21	21
Storage capacity (thousands of gallons)	710	710	710	710	710	850	850	850	850	850
Lighting										
Street lights	2,179	2,193	2,194	2,194	2,197	2,197	2,197	2,199	2,202	2,203
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	7.7	7.7	7.7	0 <sup>1</sup>	0	0
<b>Health and sanitation</b>										
Warehouse	2	2	2	2	2	2	2	1	1	1
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	1	1	1	3	3	3	4	4
<b>Public assistance</b>										
Drug treatment center	1	1	1	1	1	1	1	1	1	1
Employment and training center	1	1	1	1	1	1	1	1	1	1
Animal Shelter	-	-	-	-	-	-	-	1	1	1
Homeless Shelter	1	1	1	2	2	2	2	2	5	5
Mental Health Center	-	-	-	-	-	-	1	1	1	1
<b>Recreation</b>										
Parks	19	19	19	20	20	20	20	23	24	24
<b>Business-type Activities:</b>										
Medical center	1	1	1	1	1	1	1	1	1	1
Airports	2	2	2	2	2	2	2	2	2	2
Coyote Point Marina Recreation Area	1	1	1	1	1	1	1	1	1	1

Sources:

County Capital Asset Master File  
Department of Public Works

Notes:

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



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