

Annual Comprehensive Financial Report

COUNTY OF SAN MATEO, CALIFORNIA

Fiscal Year Ended June 30, 2025



Juan Raigoza, Controller

County of San Mateo, California

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025



Juan Raigoza
Controller

**COUNTY OF SAN MATEO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2025**

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INTRODUCTORY SECTION

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COUNTY OF SAN MATEO
OFFICE OF THE CONTROLLER

Juan Raigoza
Controller

Kristie Silva
Assistant Controller

Kim-Anh Le
Deputy Controller

Patrick Enriquez
Deputy Controller

County Government Center
555 County Center, 4th Floor
Redwood City, CA 94063
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December 22, 2025

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

The Annual Comprehensive Financial Report (ACFR) of the County of San Mateo (County) for the fiscal year ended June 30, 2025 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, 2025. 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 County's basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

Profile of the Government

The County, one of the nine counties in the San Francisco Bay Area, was established by State law in 1856. It occupies 455 square miles and contains 20 cities on a peninsula bounded by the City and County of San Francisco to the North, Santa Clara and Santa Cruz Counties to the South, San Francisco Bay to the East, and the Pacific Ocean to the West. Though sandwiched between two large urban areas, the County is a pleasant mix of suburban and rural areas. Most of its 748,337 residents live in the suburban corridor east of the Santa Cruz Mountains, which bisect the County. The western part of the County remains primarily rural and has some of California's most beautiful coastline.

The County performs a dual role that differs from cities. Cities generally provide services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. Similarly, the County provides these city-type services to residents who do not live 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 all County residents including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety.

The County is governed by a five-member Board of Supervisors (Board) and is one of fourteen charter counties in the State of California. Each supervisor serves on the Board for four-year terms on a full-time basis, must reside in one of the five districts of the County, and is elected by district in non-partisan elections. The Board is responsible, among other duties, for passing ordinances, adopting the County's budget, and appointing the County Executive Officer/Clerk of the Board, the County Attorney, and members of various boards, commissions, and committees. The County Executive Officer, in turn, appoints the directors of most County departments. The County Chief Probation Officer is appointed by the Judicial Council of California. Six elected officials are responsible for other County departments, that include the Offices of the: Assessor-County Clerk-Recorder & Chief Elections Officer, Controller, Coroner, District Attorney, Sheriff, and Treasurer-Tax Collector.

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

Key Financial Policies

Investments

The County investment pool was established to meet the County's liquidity and long-term investment needs. The Board established an eight-member oversight committee under State law to monitor the management of public funds in the investment pool. The oversight committee meets at least three times a year to evaluate general strategies, monitor results, and evaluate the economic outlook, portfolio diversification, maturity structure, and potential risks to the invested funds. The Board reviews and approves the Investment Policy annually. The foundation of the County Investment Policy is in the priority order of safety, liquidity, and yield. The County pool is not only designed as an income fund to earn a reasonable rate of return but also attempts to match maturities with capital expenditures and other planned outlays. The current County Investment Policy was approved by the Board on January 28, 2025. All amendments to the policy require the Board's approval.

Reserves

The Board approved the original County Reserves Policy in April 1999. The creation of this policy was initiated to reduce the negative impact on the County's financial resources during times of economic uncertainty and potential losses of funding from other governmental agencies. In 2010, the Board adopted the revised policy to align it with the current fiscal environment. In 2013 the Board directed the County Executive Officer to amend the Fund Balance Policy by changing the year-end Fund Balance split with General Fund departments to 50/50. This policy was further amended in 2024 to eliminate a department's year-end fund balance adjustment amount once its reserves exceed a maximum amount. Fund balance and reserves are viewed as one-time sources of funding and can only be used either for one-time purposes or as part of a multi-year financial plan to balance the budget. Such constraints prohibit the creation of operating deficits through dependency on fund balance and reserves for ongoing expenditures.

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

Any taxes contributed by the County, cities, and special districts to the Educational Revenue Augmentation Fund (ERAF) that are in excess of the total amount that school districts are eligible to receive annually are returned to the local taxing agencies in the same proportion as their contributions to the ERAF. In 2025, the Board authorized the use of 70% of these taxes for ongoing purposes. The remaining 30% of these taxes are only to be used for one-time purposes as described in the County Reserves Policy.

Budget

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority, the general fund and sixteen special revenue funds (listed on page 125) are appropriated annually. The County Executive's Office prepares a budget for all governmental funds in accordance with California Government Code Sections 29000 et seq.

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the department, division, and fund budget unit level. Budgets are enacted into law through the passage of resolutions for appropriations and financing means. These resolutions set the County's limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County Executive Officer and the Controller without Board approval, provided that the overall appropriations of the budget unit are not increased. All other budget transfers and appropriations must be approved by the Board.

Debt Service Limit and Debt Management Policy

Under the County's Debt Limit Ordinance, the Board is required to establish the County debt service limit annually. The debt service limit is applicable to non-voter-approved debt that is the obligation of the County. The limit does not include any voter-approved debt or any debts of agencies other than the County whether governed by the Board or not. The annual debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years. The approved limit can be exceeded only through a 4/5 vote of the Board and upon a finding that such action is necessary and in the best interest of the County and its residents.

In 2018, the County adopted its current debt management policy in accordance with California Senate Bill 1029. The policy develops a systematic and prudent approach to debt issuance and debt management. The policy sets forth the purposes for which the County may engage in long-term borrowing, short-term borrowing, and refunding of existing debt. The policy also establishes the types of debt that the County may issue. The County's Joint Powers Financing Authority approved the same policy.

Long-Term Financial Planning

Employees' Retirement Plan and Other Postemployment Benefits (OPEB)

As of June 30, 2025, the County's net pension liability was \$722.8 million down from prior year's \$823.3 million, per actuarial computations based on Governmental Accounting Standards Board Statement No. 68. Using a discount rate of 6.42%, the plan's funded ratio was 89.3% as of June 30, 2025, up from prior year's 87.3%.

In FY 2024-25, contributions from the County to the pension plan totaled \$228.7 million, including supplemental contributions of \$50 million.

The County also administers an "other postemployment benefits" (OPEB) Retiree Health Plan to members who retire from the County and are eligible to receive a pension from San Mateo County Employees' Retirement Association. Eligible retirees may elect to continue healthcare coverage in the County health plan and convert sick leave hours balances to a County-paid monthly benefit to help pay their retiree health premiums.

For the year ended June 30, 2025, the County contributed \$41.4 million to the Retiree Health Plan. Using a discount rate of 5.75%, the plan's funded ratio was 81.9% as of June 30, 2025, down from prior year's 83.1%. The County's total net OPEB liability was \$90.0 million as of June 30, 2025, up from prior year's \$76.7 million.

Infrastructure

The County is investing significantly in County buildings and other infrastructure. During FY 2024-25, the County's capital assets (land, buildings, equipment, etc.) net of depreciation increased by \$165.9 million, mostly from the construction of new buildings. Some new buildings have been placed into service while others remain in progress. The increase in capital assets was primarily due to increases in structures and improvements related to the Health System Center Campus Upgrade and the Cordilleras Mental Health Facility.

The Adopted Budget for FY 2025-26 includes a total of \$556.8 million for capital projects funded by bonds, General Fund, Measure K taxes, and other funding sources. Major capital projects that are under construction in FY 2025-26 include the Don Horsley Park at Tunitas Creek Beach, 455 County Center Renovations, North County Wellness Center, information technology projects, and other investments in infrastructure and building improvements.

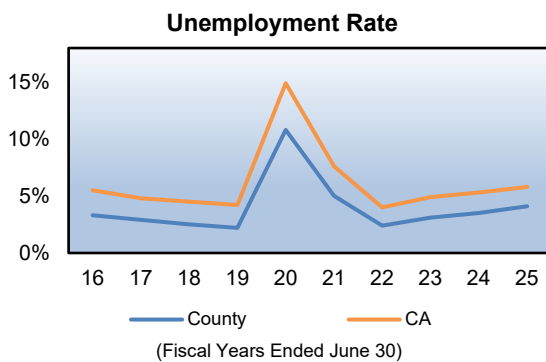
Sea-Level Rise and Other Climate-Related Impacts

The County recognizes that property and other tax revenues available to the General Fund may be reduced in the event of widespread damage to property in the County due to sea-level rise and other climate change-related impacts. To further monitor and mitigate these risks, the County assisted in the creation of the San Mateo County Flood and Sea Level Rise Resiliency District (OneShoreline), an independent district governed by a separate board, to focus on addressing sea-level rise, flooding, and coastal erosion. The County also developed a wildfire fuel management program to mitigate wildfire threats in County parks.

Local Economic Indicators

Employment

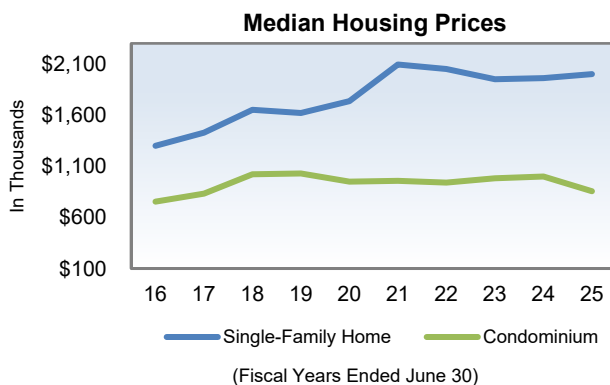
- County had 17,300 unemployed residents as of June 2025, up from 15,800 in June 2024.
- County’s unemployment rate was 4.1% in June 2025, up from 3.5% in June 2024. California’s rate was 5.8% as of June 2025.
- Among California’s 58 counties the County tied another county for the lowest unemployment rate as of June 2025.



Source: California Employment Development Department

Residential Property

- County’s median single-family house price increased by 2% to \$2,000,000 in June 2025 from \$1,960,000 in June 2024.
- County’s median condominium price decreased by 14.4% to \$856,000 in June 2025 from \$1,000,000 in June 2024.



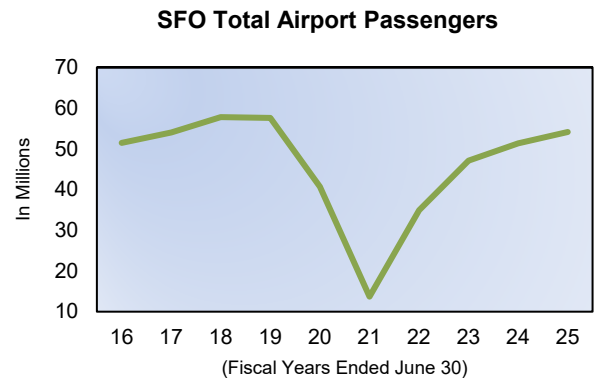
Source: San Mateo County Association of Realtors, based on statistics of MLSListings, Inc.

Commercial Property

- County’s office vacancy rate for the quarter ended June 2025 was 18.7%, higher than the revised quarter ended June 2024 rate of 15.2%.
- Average asking rate to lease office space in the County was \$6.17 per square foot for the quarter ended June 2025, lower than \$6.39 per square foot for quarter ended June 2024. It increased to \$6.25 for quarter ended September 2025.

Tourism

- San Francisco Airport’s total passenger volume increased 5.5% to 54.1 million for the year ended June 2025, up from 51.3 million in prior year. The volume as of June 2019 (pre-pandemic) was 57.4 million passengers served.



Source: SFO Comparative Traffic Reports

Taxable Sales

- Taxable sales throughout the County decreased by 1.0% to \$23.0 billion for year ended June 2025, down from prior year’s \$23.2 billion.

Median Family Income & Per Capita Income

- County’s estimated median family income was \$193,019 for 2024 (latest data), a 5.0% increase from \$183,827 for 2023.
- County’s estimated per capita personal income, the second highest among California’s 58 counties, was \$172,828 for 2023 (latest data), a 6.1% increase from \$162,863 for 2022.

Economic and Financial Outlook

Global economic growth, measured by Gross Domestic Product (GDP), is projected to increase 3.0% in 2025 per the International Monetary Fund. The 2024 growth rate was 3.3% while the 2026 rate is forecasted to be 3.1%. The United States' GDP is projected to increase by 1.9% in 2025, compared to 2.8% in 2024, and forecasted to grow by 2.0% in 2026. Next year's GDP growth rates are forecasted to be similar to the current year.

Per U.S. Bureau of Economic Analysis's 2023 edition (latest data available) of GDP statistics by county, San Mateo County was ranked No. 15 among the largest counties measured by GDP. In 2023, the County's economy was worth \$203 billion and GDP grew by 7.7%, the highest rate among these large counties.

Prices of goods and services have increased throughout the world. Per U.S. Bureau of Labor Statistics, the San Francisco Bay Area Consumer Price Index grew 2.5% for the year-ended August 2025 (latest available data), slightly lower than 2.7% for the year-ended August 2024. Higher inflation rates tend to decrease the purchasing power of governments, businesses, and individual consumers, which generally results in an overall negative economic impact.

As of September 2025 (latest data), the County's unemployment rate was 4.0% (the lowest rate among California's 58 counties), higher than its 3.5% rate for September 2024. The County's rate is lower than both the State's rate of 5.6% and U.S. rate of 4.4% for September 2025.

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

Countywide assessed property values increased by 5.83% to \$328 billion in fiscal year FY 2024-25. Property values experienced their fifteenth consecutive year of record growth in FY 2025-26, the current in-progress year, in which the value (as of the lien date of January 1, 2025) of assessed properties increased by 4.8% to \$341 billion, increasing the countywide multi-jurisdictional property tax revenue base to \$3.41 billion for FY 2025-26. These tax revenues are distributed to local government agencies (school districts, cities, special districts, and County) that provide services to County residents.

Home prices reflect the general demand for homes and desirability to live within the County. In recent years, the growth in home prices has slowed. Current 30-year home mortgage interest rates are double what they were in 2021, which has reduced homebuyers' ability to purchase homes within the County's high-cost housing market. Per the San Mateo County Association of Realtors (SAMCAR), the County's median single-family home price in November 2025 (latest data) was \$1,922,501, a decrease of 5.2% from \$2,030,000 as of November 2024. The County's median condominium home price decreased 6.6% to \$825,000 as of November 2025 from \$884,000 in November 2024.

Local office and other commercial properties' vacancy and leasing rates are indicators of overall business activity and general economy within the County. Per Collier's Peninsula commercial real estate market report, the average asking rate to lease office space in the County decreased to \$6.25 for the quarter ended September 2025, from \$6.35 for the quarter ended September 2024. Meanwhile, the County's vacancy rate for office space reached a new historical high increasing to 18.9% for the quarter ended September 2025, from 15.7% (revised) for the quarter ended September 2024.

Meeting the Future

While some County level economic indicators are showing improvement others are not. Furthermore, federal and State budgets, and their political and legislative agendas, may put at risk certain funds (grants and other monies) provided to local governments including the County, and/or to residents directly, for medical, housing, social and other services and goods that benefit residents. In addition, the State's failure in the last fiscal year to fully pay its Vehicle License Fee (VLF) funding obligations owed to the County and its cities adds uncertainty to future years' expected revenues. To address this risk, the County and its cities have initiated legal proceedings to compel the State to fully pay its VLF funding obligations.

Current 30-year home mortgage interest rates are constraining local homes sales and prices nationally and locally. Higher than normal office space vacancy rates also indicate softness in the local office real estate market. These real estate market conditions, combined with lower than historical annual volume of home sales transactions, are likely to reduce the growth rate in assessed property values which lead to lower growth rates of local property taxes available to fund the County and other local agencies.

On a somewhat positive note, the Bay Area's inflation rate (per U.S. Bureau of Labor Statistics' San Francisco Bay Area Consumer Price Index) was 2.5% for the 12-month period ending September 2025 (latest data), lower than its recent high of 6.8% for the year ending June 2022.

The job losses announced by some local companies continued this last year and may hamper the local economy in the near-term. Nonetheless, the County's diversified local economy, skilled workforce, and desirable location for residents to live and companies to conduct business should enable the continued growth of the local economy. The County's historically low unemployment rate and good GDP rate reflect the general strength of the local economy.

Passenger volume at the San Francisco International Airport increased by 5.5% to 54.1 million passengers for the year ended June 2025, approaching the pre-pandemic volume of 57.4 million passengers for year ended June 2019. Since the airport is a significant economic engine within the County, this ongoing recovery due to increased tourism and business activity is having a positive impact on the local economy.

The average leasing asking rate for office space has been hovering between \$6.00 and \$6.50 per square foot during the last five years. The vacancy rate for office space within the County was 18.9% for the most recent quarter ended September 2025. Interestingly, per Collier's San Francisco Office Market Report for the quarter ended September 2025, the office vacancy rate in the neighboring County/City of San Francisco was 31.1%, much higher than in San Mateo County.

These higher than historical office vacancy rates in the Bay Area and most of the U.S. reflect shifts in behavior, due to increased teleworking and use of hybrid work schedules, initiated during the pandemic. Within the County, assessed property values of commercial/industrial real estate (which includes office properties) represent about 25%, while residential property values represent about 75%, of total secured assessed property values. Next year's growth rate of assessed property values attributable to residential properties may be lower than in prior years due to lower annual volume of home sales transactions, which results in fewer homes being re-assessed for property tax purposes to the current market value (purchase/sales price). Per SAMCAR, the volume of single-family homes sold in the 12-month period ending September 2025 was 3,693 compared to the annual high of 5,452 in 2021, while the volume of condos sold in the 12-month period ending September 2025 was 1,120 units compared to the annual high of 1,935 units in 2021.

Property values as of January 1, 2025, the basis for the current in-progress tax year (FY 2025-26), increased by 4.8%. The slowdown in residential and office property markets may reduce the growth rate, compared to prior years, of next year's (FY 2026-27) assessed property values and property tax revenues.

The above County level economic factors, uncertainties related to certain federal and State funds provided to local governments, and risks of the State not fully paying its VLF funding obligations to the County and cities, along with ongoing rising costs of services and goods will require prudent budget planning to maintain the County's ability to continue to provide essential services to its residents.

Awards and Acknowledgements

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its fiscal year ended June 30, 2024 Annual Comprehensive Financial Report (ACFR). This was the twenty-fifth consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR, for fiscal year ended June 30, 2025, continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received, for the twenty-third consecutive year, the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2024. The Popular Annual Financial Report (PAFR), also known as the Financial Highlights report, presents information from the ACFR in a more concise and easy-to-read manner.

Acknowledgments

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

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

I would also like to thank the Board of Supervisors, County Executive's Office, and all County departments, agencies, and employees for planning and conducting the County's business in a fiscally responsible manner.

Respectfully submitted,



Juan Raigoza
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of San Mateo
California**

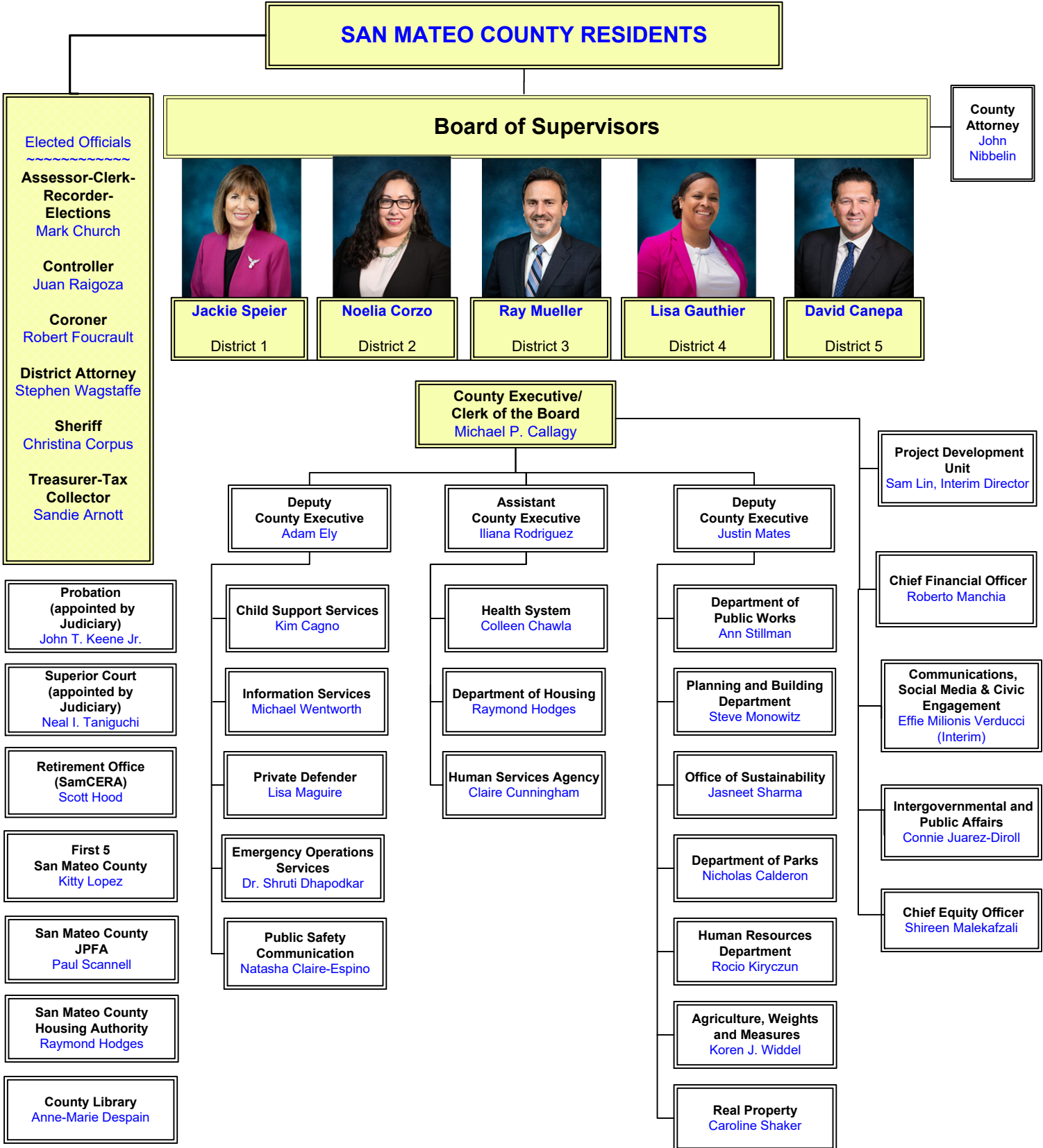
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

COUNTY OF SAN MATEO
Organization Chart
 June 30, 2025



COUNTY OF SAN MATEO
Public Officials

ELECTED OFFICIALS

Board of Supervisors:	
Supervisor – District 1	Jackie Speier
Supervisor – District 2	Noelia Corzo
Supervisor – District 3	Ray Mueller
Supervisor – District 4	Lisa Gauthler
Supervisor – District 5	David Canepa
Assessor-Clerk-Recorder-Elections	Mark Church
Controller	Juan Raigoza
Coroner	Robert Foucrault
District Attorney	Stephen Wagstaffe
Sheriff	Christina Corpus
Treasurer-Tax Collector	Sandie Arnott

APPOINTED OFFICIALS

County Executive/Clerk of the Board – <i>(appointed by Board of Supervisors)</i>	Michael P. Callagy
Assistant County Executive – <i>(appointed by County Executive)</i>	Iliana Rodriguez
Deputy County Executive – <i>(appointed by County Executive)</i>	Justin Mates
Deputy County Executive – <i>(appointed by County Executive)</i>	Adam Ely
County Attorney – <i>(appointed by Board of Supervisors)</i>	John Nibbelin
Court Executive Officer and Jury Commissioner – <i>(appointed by Judiciary)</i>	Neal I. Taniguchi
Probation Officer – <i>(appointed by Judiciary)</i>	John T. Keene Jr.
Chief Financial Officer – <i>(appointed by County Executive)</i>	Roberto Manchia

DEPARTMENT DIRECTORS

Agriculture, Weights and Measures	Koren J. Widdel
Child Support Services	Kim Cagno
Housing	Raymond Hodges
Parks	Nicholas Calderon
Public Works	Ann Stillman
Health System	Colleen Chawla
Human Resources	Rocio Kiryczun
Human Services Agency	Claire Cunningham
Information Services	Michael Wentworth
Planning and Building	Steve Monowitz
Office of Sustainability	Jasneet Sharma
Public Safety Communication	Natasha Claire-Espino
Office of Emergency Services	Dr. Shruti Dhapodkar
Project Development Unit	Sam Lin (Interim)
Real Property	Caroline Shaker

AFFILIATED ORGANIZATIONS

First 5 San Mateo County, Executive Director	Kitty Lopez
San Mateo County Housing Authority, Director	Raymond Hodges
San Mateo County Joint Powers Financing Authority, President	Paul Scannell
San Mateo County Employees' Retirement Association, Chief Executive Officer	Scott Hood



FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

Independent Auditor’s Report

To the Board of Supervisors of
the County of San Mateo
Redwood City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Mateo, California (County), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Authority of the County of San Mateo (Housing Authority), the San Mateo County Employees’ Retirement Association (SamCERA), the First 5 San Mateo County (First 5), and the Health Plan of San Mateo (HPSM), which collectively represent the following percentages of the assets, net position/fund balances, and revenues/additions of the following opinion units as of and for the fiscal year ended June 30, 2025.

Opinion Unit	Assets	Net Position / Fund Balances	Revenues / Additions
Business-type activities	21%	51%	29%
Major enterprise fund – Housing Authority	100%	100%	100%
Aggregate remaining fund information	54%	57%	7%
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,

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 2(G) to the financial statements, effective July 1, 2024, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. 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 22, 2025, 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 22, 2025



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, 2025

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, 2025. 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 2024-25 by \$5.3 billion (*net position*):

- \$1,623.6 million represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets (*net investment in capital assets*). These capital assets are used to provide services to citizens and are not available for future spending.
- \$487.1 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*).
- \$3,199.9 million is available to fund County programs for citizens and debt obligations to creditors (*unrestricted net position*).

The County's total net position increased \$579.5 million to \$5.3 billion over the year. This increase is net of a \$26.3 million reduction for the restatement of beginning net position for the implementation of GASB 101. The positive change in the County's net position indicates that the financial position of the County is improving.

- \$576.5 million increase in net position was derived from governmental activities. This is mainly due to \$1,155.0 million in program revenues and \$965.8 million in Property Tax revenues, offset by \$569.1 million in public protection expenditures, \$566.3 million in health and sanitation expenditures, and \$390.3 in public assistance expenditures.
- \$3.0 million increase in net position was derived from business-type activities with \$10.3 million decrease from the Medical Center, \$13.0 million increase from the Housing Authority, and \$1.9 million decrease from Airports.

Fund financial position

The County's governmental funds reported combined fund balances of \$3.3 billion at the close of fiscal year, an increase of \$315.5 million compared to the prior year fund balance. About \$2.7 billion (sum of assigned and unassigned fund balances) of this amount, or 81%, is available for spending at the County's discretion.

Capital assets and debt administration

The County's *capital assets, excluding lease and subscription assets* increased \$166.0 million to \$2,095.2 million with \$1,990.1 million for the governmental activities and \$105.1 million for the business-type activities. The increase was mainly from \$212.3 million in structure and improvements from completion of construction projects and building acquisitions, \$16.3 million in land from building acquisitions, and \$9.6 million in equipment, offset by \$70.7 million decrease in construction in progress.

The County's total outstanding *long-term debt*, (including lease revenue bonds, leases payable, subscriptions payable, notes payable, and other long-term obligations) decreased \$122.7 million to \$591.0 million. The decrease was mainly due to the scheduled payment for outstanding bonds totaling \$24.6 million. In addition, the County defeased the 2016 Bonds totaling \$73.7 million, paid for by the General Fund.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2025

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, 2025

The County maintains 18 individual governmental funds. Information for the General Fund and the major fund, San Mateo County Joint Powers Financing Authority (JPFA), is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Other governmental funds (special revenue funds including various special districts governed by the County's governing board, debt service fund, and capital project funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the *combining statements* in this report.

The governmental fund financial statements can be found on pages 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, Tower Road construction functions, enterprise infrastructure replacement, radio infrastructure replacement, and server and data computing infrastructure replacement. 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 nine 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, 2025

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 100-122 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 123-168 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:

	County's Net Position							
	Governmental		Business-type		Total		Increase/(Decrease)	
	Activities		Activities				Amount	Percentage
	2025	2024	2025	2024	2025	2024		
Current and other assets	\$4,432,909	\$4,033,454	\$ 415,926	\$ 337,634	\$4,848,835	\$4,371,088	\$ 477,747	11%
Capital assets:								
Lease assets	40,027	49,853	27,824	28,677	67,851	78,530	(10,679)	-14%
Subscription assets	5,353	11,834	3,162	1,719	8,515	13,553	(5,038)	-37%
Capital assets, net	1,990,137	1,829,278	105,075	99,974	2,095,212	1,929,252	165,960	9%
Total assets	6,468,426	5,924,419	551,987	468,004	7,020,413	6,392,423	627,990	10%
Deferred outflows of resources	502,864	632,114	87,388	116,920	590,252	749,034	(158,782)	-21%
Long-term liabilities	675,535	755,794	28,447	21,433	703,982	777,227	(73,245)	-9%
Lease liabilities	43,815	53,738	30,903	31,132	74,718	84,870	(10,152)	-12%
Subscription liabilities	7,242	11,054	3,134	1,670	10,376	12,724	(2,348)	-18%
Net pension liability	574,414	660,715	148,389	162,504	722,803	823,219	(100,416)	-12%
Net OPEB liability	73,837	62,682	16,801	14,453	90,638	77,135	13,503	18%
Other liabilities	410,214	395,402	210,498	153,790	620,712	549,192	71,520	13%
Total liabilities	1,785,057	1,939,385	438,172	384,982	2,223,229	2,324,367	(101,138)	-4%
Deferred inflows of resources	48,828	56,297	28,087	29,797	76,915	86,094	(9,179)	-11%
Net position:								
Net investment in capital assets	1,523,352	1,263,970	100,213	95,670	1,623,565	1,359,640	263,925	19%
Restricted	485,626	422,590	1,452	1,846	487,078	424,436	62,642	15%
Unrestricted	3,128,427	2,874,291	71,451	72,629	3,199,878	2,946,920	252,958	9%
Total net position	<u>\$5,137,405</u>	<u>\$4,560,851</u>	<u>\$ 173,116</u>	<u>\$ 170,145</u>	<u>\$5,310,521</u>	<u>\$4,730,996</u>	<u>\$ 579,525</u>	12%

Analysis of Net Position. The County's net position increased \$579.5 million, or 12%, to \$5.3 billion at June 30, 2025.

Governmental Activities increased the County's net position by \$576.5 million, or 13% to \$5.1 billion.

Total assets increased \$544.0 million, or 9%, to \$6.5 billion. The significant changes in assets occurred in the following areas:

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2025

- *Cash and investments* increased by \$341.4 million. This increase was due to increase in charges for services, operating grants and contributions, and property tax revenues.
- *Receivables (net)* increased by \$35.5 million primarily due to \$29.1 million increase in net mortgage receivable and \$5.7 million increase in interest receivable.
- *Lease receivable* decrease by \$1.1 million due to matured lease agreements and there were no new lease agreements entered in the current year.
- *Due from other governmental agencies* increased \$12.8 million primarily due to increase in excess Educational Revenue Augmentation Fund (ERAF), Federal Financial Participation (FFP), and Vehicle License Fee (VLF) shortfall due to the County.
- *Lease / Subscription assets* decreased by \$16.3 million to \$45.4 million due to scheduled payments in the current year.
- *Capital assets, excluding lease and subscription assets* increased by \$160.9 million. The significant changes occurred in the following areas:
 - \$77.6 million decrease in construction in progress resulted from current year addition of \$149.3 million offset by the completion of \$12.3 million for *County Office Building 3*, \$152.9 million for *Cordilleras Mental Health Facility Replacement*, \$38.8 million for the *Health System Center Campus Upgrade*, \$1.3 million for *San Mateo County Navigation Center*, and \$0.6 million for *Old Maguire Renovations*.
 - \$251.6 million increase in structure and improvements from \$29.3 million for building acquisitions, \$8.9 million for *Radio Shop Project at Chestnut & Grant Yard*, \$6.4 million for *Mirada Road Ped Bridge*, \$1.1 million for *Memorial Park Generator*, \$12.3 million for *County Office Building 3*, \$152.9 million for *Cordilleras Mental Health Facility Replacement*, \$38.8 million for the *Health System Center Campus Upgrade*, \$1.3 million for *San Mateo County Navigation Center*, and \$0.6 million for *Old Maguire Renovations*, and offset by \$38.5 million depreciation expenses.
 - \$16.3 million increase in land from current year acquisitions including \$1.9 million for *Ramada Inn (Airport Boulevard, South San Francisco)*, \$6.2 million for *Mitten Road & Malcolm Road, Burlingame*, \$6.7 million for *S. El Camino Real, San Mateo*, \$0.3 million for *Hudson Street*, \$1.2 million for *Stone Pine Road*.
 - \$1.9 million decrease in software related to the *Assessor Property Assessment System* totaling \$1.6 million, offset by \$3.5 million depreciation expense.
 - \$3.0 million increase in infrastructure from *Fair Oaks Sewer Rehabilitation Project*.
 - \$9.9 million net increase in equipment for *County Office Building 3*.

Total liabilities decreased \$154.3 million, or 8% to \$1.8 billion. The significant changes in liabilities occurred in the following areas:

- *Net pension liability* decreased by \$86.3 million or 13% to \$574.4 million. This decrease is due to changes in economic or demographic assumptions as part of the measurements, and changes in fair value of investments.
- *Net OPEB liability* increased by \$11.2 million. This increase is a reflection of progressive contributions as actuarially determined amount required to provide retiree health care benefits to the retired members and changes in assumptions used for actuarial analysis purposes.
- *Lease / Subscription liabilities* decreased by \$13.7 million to \$51.1 million due to agreements amortized and/or expired during the current year.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2025

- *Lease Revenue Bonds* decreased by \$110.2 million to \$498.0 million. The decrease was due to the defeasance of outstanding 2016 Bonds of \$73.7 million and decrease from scheduled debt payments made on lease revenue bonds.
- *Due to governmental agencies* increased by \$20.7 million to \$54.1 million. The increase was due to increase in intergovernmental transfers to the State in the current fiscal year.
- *Unearned revenues* decreased by \$12.7 million to \$188.9 million. The decrease was due to grants that have been performed and earned in the current fiscal year.

Business-type Activities increased the County's net position by \$3.0 million, or 2% to \$173.1 million.

Total assets increased \$84.0 million, or 15%, to \$552.0 million. The increase was primarily caused by the following:

- The *Medical Center's total assets* increased \$70.1 million. The change was primarily due to an increase in the amount due from other governmental agencies. Amounts due from other governmental agencies comprise several supplemental programs with activities that fluctuate from year to year.
- The Housing Authority's total assets increased \$14.4 million primarily due to a loan advanced for Midway Village Redevelopment Phase 2 Project, funded through Housing Assistance Payments via Moving To Work flexibility.

Total liabilities increased \$53.2 million, or 12%, to \$438.2 million. The increase was primarily due to the following:

- The *Medical Center's total liabilities* increased \$52.4 million. There were significant increases in amounts due to other governmental agencies.
- *Housing Authority's total liabilities* increased \$1.7 million due to \$0.3 million increase in deferred housing development loan interest and \$1.3 million increase in lease liability resulting from an amended lease contract.

The Medical Center's net position decreased \$10.3 million, or 23%, to \$34.5 million. See explanations on pages 12-13.

The Housing Authority's net position increased \$13.0 million, or 17%, to \$89.0 million. See explanations on page 13.

Airports net position decreased by \$1.9 million and Coyote Point Marina's net position increased by \$0.1 million.

The **County's total net position** increased by \$579.5 million, or 12%, to \$5.3 billion as of June 30, 2025. This increase is net of a \$26.3 million reduction for the restatement of beginning net position for the implementation of GASB 101. The County's net position can be divided into three categories: net investment in capital assets, restricted, and unrestricted.

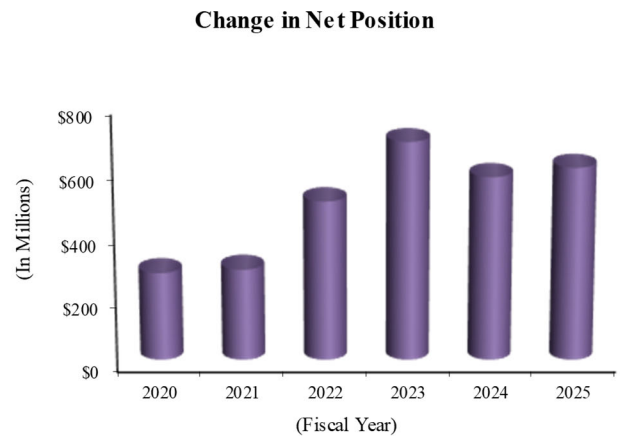
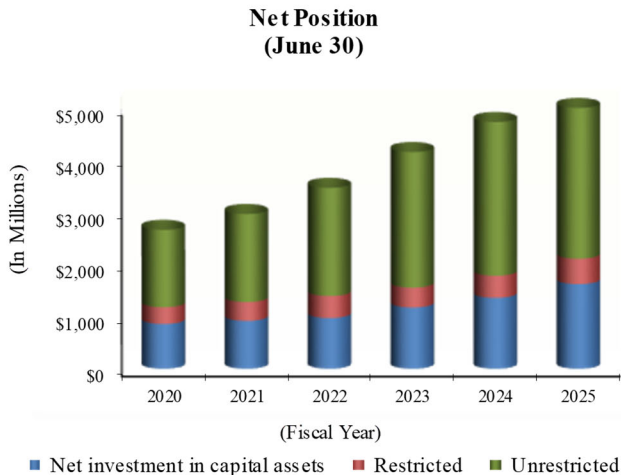
- 31%, or \$1,623.6 million, of the County's net position reflects its *investment in capital assets* (e.g., land, buildings and equipment); net of any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. These assets, therefore, are *not* available for future spending. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt are provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- 9%, or \$487.1 million, of the County's net position represents resources that are subject to external restrictions on how they may be used and therefore *restricted*.
- 60%, or \$3,199.9 million, of the County's net position represents resources that may be used to meet the County's ongoing obligations to citizens and creditors and therefore *unrestricted*.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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 For the Fiscal Year Ended June 30, 2025

Change in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2025	2024	2025	2024	2025	2024	Amount	Percentage
Revenues:								
Program revenues:								
Charges for services	\$ 279,337	\$ 266,866	\$ 575,750	\$ 528,771	\$ 855,087	\$ 795,637	\$ 59,450	7%
Operating grants and contributions	875,671	783,130	6,284	12,216	881,955	795,346	86,609	11%
Capital grants and contributions	-	-	291	8,836	291	8,836	(8,545)	-97%
Total program revenues	1,155,008	1,049,996	582,325	549,823	1,737,333	1,599,819	137,514	9%
General revenues:								
Property taxes	965,784	937,531	-	-	965,784	937,531	28,253	3%
Other taxes	179,918	173,766	-	-	179,918	173,766	6,152	4%
Unrestricted interest and investment earnings	212,310	180,430	3,114	2,731	215,424	183,161	32,263	18%
Miscellaneous	68,502	102,004	2,209	1,805	70,711	103,809	(33,098)	-32%
Total general revenues	1,426,514	1,393,731	5,323	4,536	1,431,837	1,398,267	33,570	2%
Total revenues	2,581,522	2,443,727	587,648	554,359	3,169,170	2,998,086	171,084	6%
Expenses:								
Program expenses:								
General government	316,707	205,148	-	-	316,707	205,148	111,559	54%
Public protection	569,134	582,292	-	-	569,134	582,292	(13,158)	-2%
Public ways and facilities	40,798	30,807	-	-	40,798	30,807	9,991	32%
Health and sanitation	566,316	512,022	-	-	566,316	512,022	54,294	11%
Public assistance	390,299	435,241	-	-	390,299	435,241	(44,942)	-10%
Recreation	27,855	26,093	-	-	27,855	26,093	1,762	7%
Interest on long-term liabilities	20,100	23,052	-	-	20,100	23,052	(2,952)	-13%
San Mateo Medical Center	-	-	465,268	453,223	465,268	453,223	12,045	3%
Airports	-	-	6,261	5,554	6,261	5,554	707	13%
Coyote Point Marina	-	-	1,500	1,728	1,500	1,728	(228)	-13%
Housing Authority	-	-	159,073	146,026	159,073	146,026	13,047	9%
Total expenses	1,931,209	1,814,655	632,102	606,531	2,563,311	2,421,186	142,125	6%
Excess (deficiency) before transfers	650,313	629,072	(44,454)	(52,172)	605,859	576,900	28,959	5%
Transfers	(52,124)	(45,861)	52,124	45,861	-	-	-	0%
Change in net position	598,189	583,211	7,670	(6,311)	605,859	576,900	28,959	5%
Net position - beginning, as previously reported	4,560,851	3,977,640	170,145	176,456	4,730,996	4,154,096	576,900	14%
Cumulative effect of accounting change	(21,635)	-	(4,699)	-	(26,334)	-	(26,334)	-100%
Net position - beginning, as restated	4,539,216	3,977,640	165,446	176,456	4,704,662	4,154,096	550,566	13%
Net position - ending	\$ 5,137,405	\$ 4,560,851	\$ 173,116	\$ 170,145	\$ 5,310,521	\$ 4,730,996	\$ 579,525	12%

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



COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
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The reasons for the overall increase in net position are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. Governmental activities increased the County's net position by \$579.5 million to \$5.3 billion for the fiscal year ended June 30, 2025. This was predominantly from increases in charges for services, operating grants and contributions, and property tax revenues.

Analysis of Governmental Activities - Revenues

Program Revenues accounted for 45% of the County's overall governmental activities revenues. Program revenues consisted of charges for services, and operating grants and contributions. Program revenues increased \$105.0 million, or 10%, from the prior year. The significant changes included the following:

- *Charges for services* increased \$12.5 million, or 5%, to \$279.3 million. The increase was primarily due to collections from patient caseloads for behavioral health.
- *Operating grants and contributions* increased \$92.5 million, or 12%, to \$875.7 million. The increase was primarily due to Medi-Cal warrants issued, state reimbursements related to emergency responses, and State Realignment for four mental health rehabilitation center contract facilities that started operation.

General Revenues increased \$32.8 million, or 2%, from the prior year. General revenues accounted for 55% of the County's overall governmental activities revenues. The significant changes included the following:

- *Property Tax Revenues* increased \$28.3 million, or 3%, to \$965.8 million. The significant changes included the following:
 - \$24.3 million or 5% increase in secured and unsecured property taxes which is at par with the 6% countywide increase in the local combined roll.
 - \$10.0 million increase in Excess Tax Losses Reserves due to transfer of funds from Teeter Reserves to the County General Fund pursuant to the FY 24-25 Board of Supervisors adopted budget.
 - \$22 million increase in the ERAF property taxes due to assessed valuation growth rate of 6%. This is consistent in the percentage distribution of the Excess ERAF rebate despite the ERAF funding financed for the non-basic aid schools.
 - \$4.9 million or 2% increase in Redevelopment Property Tax Trust Fund (RPTTF) residual which is due to a 4% increase in RPTTF revenues.
 - \$28.1 million increase in VLF revenue is the result of the payment or backfill by the State through DOF of the FY 23-24 VLF shortfall in the amount of \$76.6 million or 86% payment leaving a balance of \$37.8 million. The County portion of the VLF shortfall outstanding is \$93.1 million combining FY 24-25 and FY 23-24.
 - \$6.0 million or 5% increase in pass-through payments which is due to a 4% increase in RPTTF revenues.
 - \$0.5 million decrease in supplemental taxes due to inflation and high interest rates which had a dampening effect on new construction and changes in ownership resulting to fewer supplemental assessments in FY 2024-25.
 - \$0.2 million increase in late tax penalty payments is consistent to the reduction of most of the collection performance specifically the Supplemental roll revenue.
- *Other Tax Revenues* increased by \$6.2 million, or 4%, to \$179.9 million primarily due to increase in sales and use taxes.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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- *Unrestricted Interest and Investment Earnings* increased \$31.9 million, or 18%, to \$212.3 million, primarily due to market fluctuations and more robust earnings on investments in current year compared to prior year, thus increasing earnings on investments.
- *Miscellaneous Revenues* decreased by \$33.5 million, or 33%, to \$68.5 million due primarily to increased funding in the prior year from Affordable Housing Fund and for Employee Down Payment Assistance Program.

Analysis of Governmental Activities – Expenses

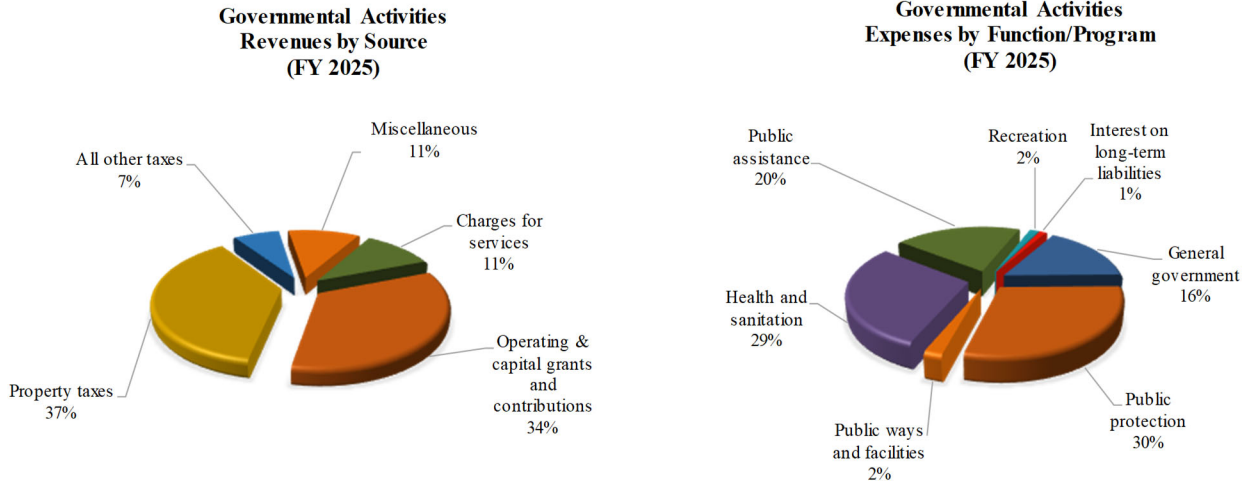
Expenses for *General government* increased by \$111.6 million, or 54%. This increase was mainly due to \$27.1 million increase in salaries and benefits, \$5.7 million increase in facility lease and rental charges, and \$3.0 million increase in property insurance charges.

Expenses for *Public protection* decreased by \$13.2 million, or 2%. The decrease was primarily due to increased salaries and benefits in the prior year.

Expenses for *Health and sanitation* increased by \$54.3 million, or 11%. The increase was primarily due to \$19.4 million increase in salaries and benefits, \$7.4 million increase from behavioral health rehabilitation centers, and \$4.1 million increase from alcohol and drug treatment services.

Expenses for *Public assistance* decreased by \$44.9 million, or 10%. The decrease was primarily due to affordable housing project expenses in the prior year and leased facility rental charges.

For the fiscal year ended June 30, 2025, revenues and expenses for governmental activities are as follows:



Transfers in from business-type activities decreased \$6.3 million, or 14% due to using available bond reserves to cover debt service payments.

Business-type Activities. The net position for business-type activities increased \$3.0 million to \$173.1 million. This increase is net of a \$4.7 million reduction for the restatement of beginning net position for the implementation of GASB 101. The change was also due to \$10.3 million decrease from the Medical Center, \$13.0 million increase from the Housing Authority, \$1.9 million decrease from the Airports, and \$0.1 million increase from Coyote Point.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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 For the Fiscal Year Ended June 30, 2025

Analysis of Business-type Activities – Revenues and Expenses

Medical Center. The net position of Medical Center decreased \$10.3 million, or 23%, to \$34.5 million.

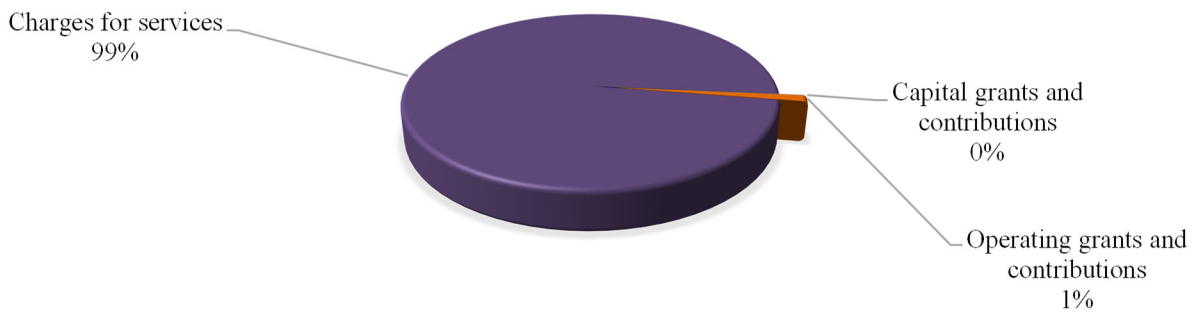
The Medical Center’s net operating loss decreased \$11.3 million, or 15%, to \$63.3 million. The significant changes included the following:

- \$55.0 million decrease in gross charges for services due primarily to planned reduction in clinic and surgery patient volume during the transition to the new Electronic Health Record System.
- \$6.3 million increase in net patient service revenues due to increased compensation rates overcoming the lower gross charges and volumes.
- The increase of \$23.2 million in FY25 is due to adjustments to prior year accrued estimates resulting from recent payment information related to the Enhanced Payment Program (EPP).
- The decrease of \$2.3 million in other operating revenues was primarily due to a year-end one-time payout for the ACE program by HPSM in FY24.
- \$17.4 million increase in salary and benefit expenses due to a 5% annual salary increase and the accrual of three additional paid time off days authorized for César Chávez and wellness holidays.

Housing Authority. The net position of the Housing Authority increased \$13.0 million, or 17%, to \$89.0 million. The increase was primarily due to increase in revenues in housing assistance payment funds used under Moving to Work flexibility for the Midway Village Redevelopment Phase 2 Loan.

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

**Program Revenues by Source
 Business-type Activities
 (FY 2025)**



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.

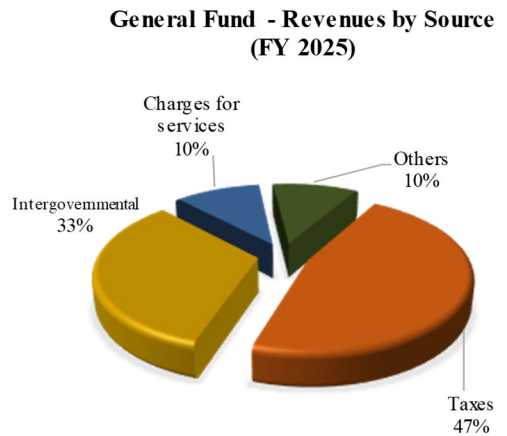
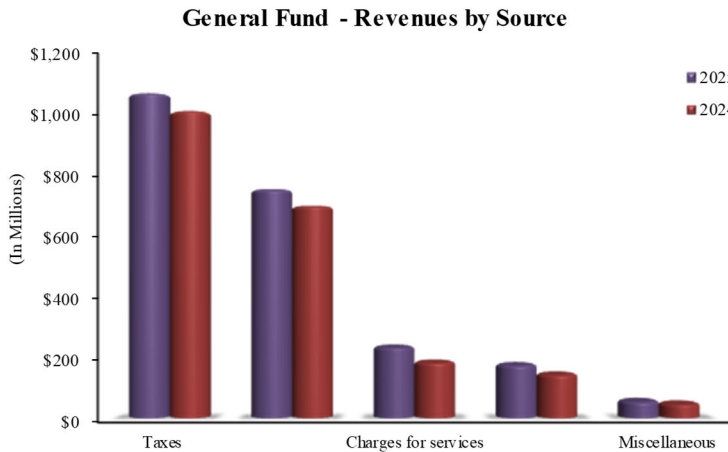
COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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As of June 30, 2025, the County’s governmental funds reported combined fund balances of \$3.3 billion at year-end, an increase of \$315.5 million, or 11%, compared to the prior fiscal fund balance. Approximately 81% of the combined amount, or \$2.7 billion, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance totaling \$613.4 million is nonspendable and restricted, including \$49.1 million “not in spendable form” for items that are not expected to be converted into cash such as inventories and long-term loans, and \$564.3 million restricted for specific purposes.

The *General Fund* is the primary operating fund of the County. At June 30, 2025, the General Fund’s total assigned and unassigned fund balance (*unrestricted*) was \$2.5 billion with total fund balance at \$2.8 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 140% of total fund expenditures, and total fund balance represents 159% of total fund expenditures. The overall fund balance in the General Fund has increased \$330.5 million during the current fiscal year. For the fiscal years ended June 30, 2025 and 2024, revenues for the General Fund are distributed as follows:

General Fund - Revenues by Source
(In Thousands)

Revenues by Source	FY 2025		FY 2024		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 1,084,436	47%	\$ 1,025,238	48%	\$ 59,198	6%
Licenses and permits	9,210	0%	7,829	0%	1,381	18%
Intergovernmental	763,666	32%	707,973	33%	55,693	8%
Charges for services	237,065	10%	187,379	9%	49,686	27%
Fines, forfeitures, and penalties	4,879	0%	4,497	0%	382	8%
Rents and concessions	4,963	0%	2,979	0%	1,984	67%
Investment income	178,784	8%	146,946	7%	31,838	22%
Other	38,032	2%	33,391	2%	4,641	14%
Total	\$ 2,321,035	100%	\$ 2,116,232	100%	\$ 204,803	10%



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

Taxes revenue increased by \$59.2 million, or 6%. The increase was primarily due to secured, unsecured, and general sales taxes collected.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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Intergovernmental revenue increased by \$55.7 million, or 8%. The increase was primarily due to \$21.4 million for Medical warrants issued, \$21.3 million from state reimbursements related to emergency responses and \$11.2 million from State Realignment for four Mental Health Rehabilitation Center contracted facilities that started operation.

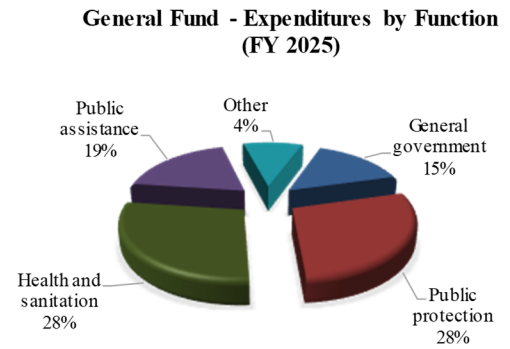
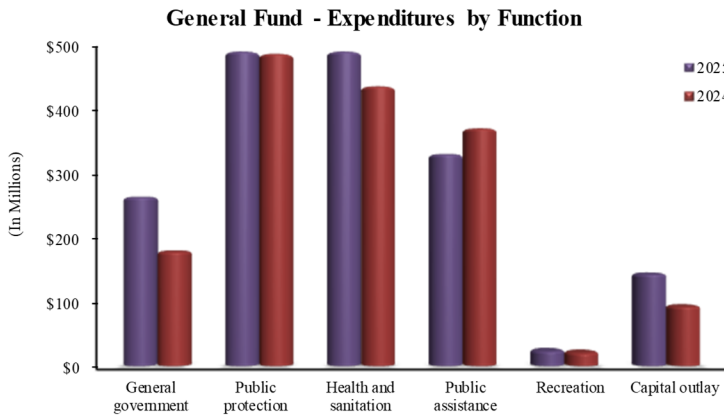
Charges for services increased by \$49.7 million, or 27%. The increase was primarily due to collections from patient caseloads.

Investment income increased by \$31.8 million. See explanations on page 11.

For the fiscal years ended June 30, 2025 and 2024, expenditures for the General Fund are distributed as follows:

General Fund - Expenditures by Function
(In Thousands)

Expenditures by Function	FY 2025		FY 2024		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 268,517	15%	\$ 182,131	11%	\$ 86,386	47%
Public protection	506,999	28%	496,398	31%	10,601	2%
Health and sanitation	502,758	28%	444,547	27%	58,211	13%
Public assistance	336,726	19%	377,619	23%	(40,893)	-11%
Recreation	24,597	1%	21,902	1%	2,695	12%
Capital outlay	146,416	8%	95,218	6%	51,198	54%
Total	\$ 1,786,013	100%	\$ 1,617,815	100%	\$ 168,198	10%



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

Expenditures for *General Government* increased by \$86.4 million, or 47%. This increase was mainly due to contribution to SamCERA and payment for the defeasance of the 2016 Bonds.

Expenditures for *Public Protection* increased by \$10.6 million, or 2%. The increase was primarily due to salaries and benefits.

Expenditures for *Health and Sanitation* increased by \$58.2 million, or 13%. The increase was primarily due to salaries and benefits, cost report settlement payments, and contract services related to mental health rehabilitation centers.

Expenditures for *Public Assistance* decreased by \$40.9 million, or 11%. The decrease was primarily due to building purchase in the prior year and decrease in affordable housing expenses.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
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Capital Outlay increased by \$51.2 million, or 54%. The increase was primarily due to projects for the Electronic Health Record System, Stone Pine Farmworker Housing, and funding for the Employee Down Payment Assistance Program.

Joint Powers Financing Authority is a major governmental fund. During FY 2024-25, JPFA's fund balance increased \$0.4 million to \$80.0 million. The increase was due primarily to completion of construction activities.

Nonmajor governmental funds experienced a \$15.4 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 by \$9.7 million to \$171.5 million. The significant change was mainly due to increase in intergovernmental revenue and transfer in to finance capital improvements. See explanation of intergovernmental revenue on page 11.

Capital Projects Fund. The overall fund balance for capital project funds decreased by \$17.8 million to \$155.8 million mainly due to completion of major capital expenditures for various capital projects.

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 by \$1.0 million (net of \$4.7 million reduction to beginning net position resulting from the implementation of GASB 101), with increase of \$2.7 million from major enterprise funds which included \$10.3 million decrease from Medical Center and \$13.0 million increase from Housing Authority. The remaining was from a \$1.7 million decrease 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 decreased by \$1.9 million to \$41.9 million. The decrease was due to general and administrative expenses.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's final budget for revenue exceeded the original budget by \$54.2 million, or 2%, for the fiscal year ended June 30, 2025. 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 2024-25, the General Fund budget realized a total of \$54.2 million unanticipated revenues primarily from the following:

- \$25.1 million from Realignment Sales Tax for FY 2025-26 three-month advanced payment to contracted providers and for the increase service volume for CalAIM Fee-for-Service claims.
- \$14.1 million from the State of California for the Encampment Resolution Fund Round 3 Grant to resolve the experience of unsheltered homelessness for people residing in encampments.
- \$6.0 million from Measure K funds: \$2.0 million for the Farm Labor Housing Loan Program; \$1.0 million for the Midway Early Learning Center; \$0.7 million for youth after school programming and community mental health services; \$0.7 million to purchase vehicles for public protection; \$0.4 million to fund salary adjustments for various Measure K initiatives; \$0.3 million for the Guaranteed Income Pilot Program for Domestic Violence Survivors; \$0.3 million for the North Fair Oaks Economic Advancement Center; \$0.3 million for Home Sharing Program office improvement with trauma-informed design; \$0.2 million to support Ombudsman Services of San Mateo County; and \$0.1 million for flood mitigation and response services for Pescadero Creek.
- \$4.2 million to fund expenditures for radio communications.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
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- \$1.2 million from the Medi-Cal Administrative Activities revenue for increased salaries and benefits, increased use of contract interpreter costs, increased participation fees for the Medi-Cal Administrative Activities claiming program and rent for the LEAP program.
- \$1.2 million for the software projects within Appraisal Services Division.
- \$1.0 million from Urban Security Initiative grant to improve regional capacity for terrorist incidents and catastrophic events.
- \$0.7 million from the State Homeland Security Grant Program.
- \$0.7 million from other sources for various purpose.

Actual General Fund revenues were below budgeted by \$189.5 million, or 8%. Revenues from intergovernmental agencies were below anticipated projections by \$113.9 million, while other financing sources were \$17.9 million lower than budget. Actual tax revenues were lower than the total budgeted by \$10.3 million primarily due to lower-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 \$47.4 million lower than expected, primarily from \$70.7 million increase in use of money and property, \$5.0 million decrease in charges for services, and \$101.7 million decrease in interfund revenues mainly from the elimination of interfund revenue between governmental funds.

Actual General Fund expenditures were below budgeted by \$1,965.3 million, or 53%. The unspent appropriations can be found in the following areas:

- \$424.9 million unspent appropriations in contingencies resulted from prudent long-term financial planning.
- \$711.5 million unspent appropriations in other financing uses due primarily to major capital projects funded by Non-Departmental Services and Measure K either not yet started or completed, including the North County Wellness Center, Hall of Justice Remodel, 455 County Center Remodel, and other projects.
- \$323.4 million unspent appropriations in services and supplies due primarily to delays in one-time and ongoing projects including County-wide Measure K Park funded parks maintenance and improvement projects at several County parks, as well as park wide fire fuel mitigation efforts and department specific information technology (IT) projects, such as the Property Tax replacement project.
- \$185.9 million unspent appropriations in salaries and benefits due primarily to unfilled positions throughout many departments.
- \$274.1 million unspent appropriations in other charges due primarily to Housing project contributions and carryforward Measure K appropriations for district discretionary initiatives.
- \$67.3 million unspent appropriations in capital assets due to County wide equipment purchases not yet made, delayed capital acquisitions.

The overall unspent appropriation discussed above was offset by unrealized *intrafund transfers* (reimbursements from General Fund departments) of \$21.8 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

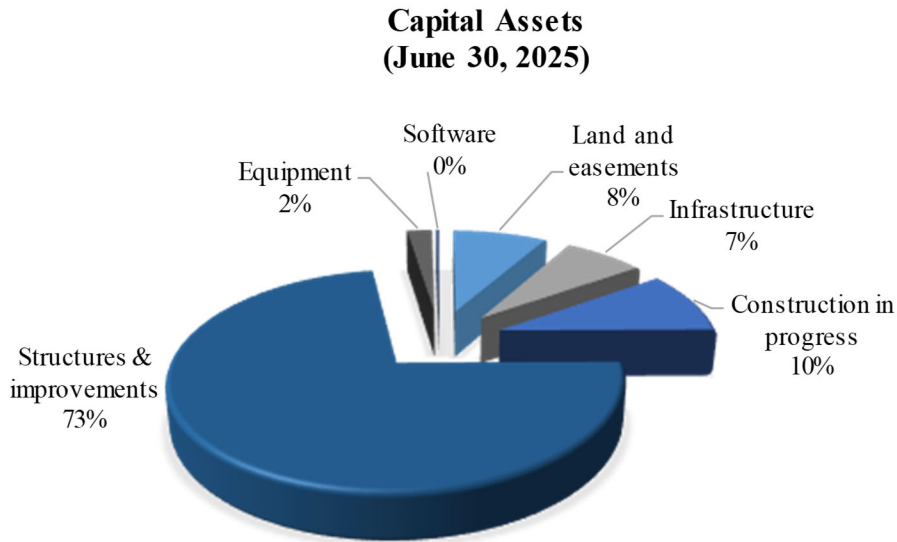
Capital assets. The County's capital assets increased \$166.0 million, or 9%, to \$2,095.2 million (net of accumulated depreciation). The investment includes land and easements, infrastructure, construction in progress, structures and improvements, equipment, and software. The County's capital assets as of June 30, 2025 and 2024, are comprised of the following:

COUNTY OF SAN MATEO
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Capital Assets
Net of Accumulated Depreciation
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2025	2024	2025	2024	2025	2024	Amount	Percentage
Land and easements	\$ 157,369	\$ 141,024	\$ 14,989	\$ 14,989	\$ 172,358	\$ 156,013	\$ 16,345	10%
Infrastructure	147,395	146,320	-	-	147,395	146,320	1,075	1%
Construction in progress	180,371	257,997	20,761	13,838	201,132	271,835	(70,703)	-26%
Structures and improvements	1,468,357	1,255,294	55,065	55,859	1,523,422	1,311,153	212,269	16%
Equipment	33,724	23,790	11,904	12,207	45,628	35,997	9,631	27%
Software	2,921	4,853	2,356	3,081	5,277	7,934	(2,657)	-33%
Total	\$ 1,990,137	\$ 1,829,278	\$ 105,075	\$ 99,974	\$ 2,095,212	\$ 1,929,252	\$ 165,960	9%

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



Additional information on the County’s capital assets can be found in Note 8 on pages 65-68 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 65):
 - *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 November 2025. The estimated project cost is \$223 million. Partial completion of the new administration building and phase 1 were completed during FY 2023-24. The total cost incurred during FY 2024-25 is \$38.8 million.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
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Lease / Subscription assets. The County’s investment in lease/subscription assets decreased \$15.7 million, or 17%, to \$76.4 million (net of accumulated amortization) due to expiration of agreements. The County’s lease and subscription assets as of June 30, 2025 comprised of the following:

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

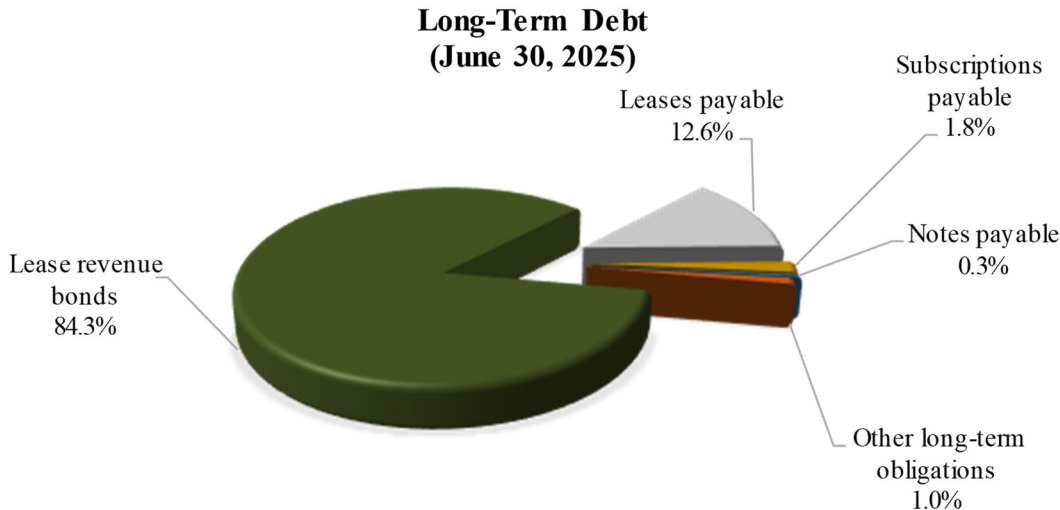
	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2025	2024	2025	2024	2025	2024	Amount	Percentage
Buildings	\$ 40,027	\$ 49,853	\$ 27,824	\$ 28,677	\$ 67,851	\$ 78,530	\$ (10,679)	-14%
Subscription	5,353	11,834	3,162	1,719	8,515	13,553	(5,038)	-37%
Total	\$ 45,380	\$ 61,687	\$ 30,986	\$ 30,396	\$ 76,366	\$ 92,083	\$ (15,717)	-17%

Long-Term Debt. The County’s total debt decreased by \$122.7 million, or 17%, to \$591.0 million as of June 30, 2025. The decrease was due from \$110.2 million (\$23.6 million for lease revenue bond payments, \$73.7 million defeasance of 2016 Bonds, \$3.3 million amortization of premium, offset by \$0.8 million related to accreted interest) related to lease revenue bonds and defeasance of the 2016 Bonds. As indicated in the table below, the County’s total debt is comprised of \$498.0 million in lease revenue bonds, \$74.7 million in leases payable, \$10.4 million in subscriptions payable, \$1.8 million in notes payable, and \$6.1 million in other long-term obligations.

Long-Term Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2025	2024	2025	2024	2025	2024	Amount	Percentage
Lease revenue and revenue refunding bonds (including accreted interest)	\$ 498,000	\$ 608,226	\$ -	\$ -	\$ 498,000	\$ 608,226	\$ (110,226)	-18%
Leases payable	43,815	53,738	30,903	31,132	74,718	84,870	(10,152)	-12%
Subscriptions payable	7,242	11,054	3,134	1,670	10,376	12,724	(2,348)	-18%
Notes payable	-	-	1,811	1,897	1,811	1,897	(86)	-5%
Other long-term obligations	3,455	3,627	2,633	2,393	6,088	6,020	68	1%
Total	\$ 552,512	\$ 676,645	\$ 38,481	\$ 37,092	\$ 590,993	\$ 713,737	\$ (122,744)	-17%

The County’s debts as of June 30, 2025, are distributed as follows:



Additional information on the County’s long-term debt can be found in Note 9 on pages 69-73 of this report.

COUNTY OF SAN MATEO
Management’s Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2025

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

- *Defeasance of 2016 Series A Refunding Lease Revenue Bonds.* In March 2025, the JPFA authorized the defeasance of the 2016 Series A Lease Revenue Bonds (the “2016 Bonds”) of \$73.7 million in order to reduce long-term liabilities and generate savings. The available moneys paid by the County’s General Fund were deposited into an irrevocable escrow account to redeem the remaining outstanding 2016 Bonds on July 15, 2026. The defeasance resulted in an accounting loss of \$33 thousand. At June 30, 2025, the outstanding defeased 2016 Bonds was \$73.7 million.
- *Scheduled Retirement of Outstanding Debt.* Apart from the above defeasance, the County retired a total of \$23.6 million in principal payment based on the debt service payment schedules, \$3.3 million in bond premiums amortized, and \$0.8 million in accreted interest in outstanding lease revenue bonds.

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 2024-25 was \$178.0 million. The amount applicable to the debt service limit was \$47.8 million, which was \$130.2 million, or 73%, less than authorized.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The County’s economy has seen transitions as a result of new developments related to economic forces locally and globally, changes in federal government policies, changes in work-from-home policies, and large-scale layoffs. Acknowledging continuing uncertainty, the following economic factors were considered in the preparation of the County’s final budget for FY 2024-25.

- As of September 2025, the unemployment rate in San Mateo County was 4.0%, the rate has increased from a figure of 3.3% in December 2024.
- With the close of the FY 2024-25 assessment rolls, net secured property (real property) value was assessed at an increase of 5.7% from FY 2023-24.
- Commercial rents have continued to decrease as the County’s overall office space has increased. The average asking rent price for office space was at \$6.17 per square foot in the second quarter of 2025, a decrease of 3.6% over the second quarter of 2024. This decrease in rents aligns with the increase of vacant office space from 18% in the first quarter of 2025 to 18.7% in the second quarter of 2025.
- Due to the continuing economic pressures of high interest rates, global tariffs, high cost-of-living, and large-scale layoffs, the County’s taxable sales are predicted to decrease over FY 2025-26. Although Transient Occupancy Taxes continue to increase, most other sales taxes are decreasing or stagnating. For FY 2024-25, sales taxes were up by 0.4% as compared to FY 2023-24. The County has seen a 15.4% decrease in Measure K Half Cent Sales Tax and a 3.1% increase in Public Safety Sales Tax in FY 2024-25.

In September 2025, the County Board adopted the budget of \$5.5 billion for FY 2025-26.

COUNTY OF SAN MATEO
Management's Discussion and Analysis (Continued)
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2025

REQUEST FOR INFORMATION

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

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

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



Basic Financial Statements -
Government-Wide Financial Statements

COUNTY OF SAN MATEO
Statement of Net Position
June 30, 2025
(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 San Mateo County	Health Plan of San Mateo (December 31, 2024)
ASSETS					
Cash and investments	\$ 3,570,972	\$ 42,499	\$ 3,613,471	\$ 18,242	\$ 868,955
Restricted cash and investments	33,600	1,647	35,247	-	300
Receivables (net)	350,468	29,342	379,810	180	77,236
Lease receivable	6,550	21,164	27,714	-	1,630
Due from other governmental agencies	419,360	264,138	683,498	901	123,515
Inventories	513	4,092	4,605	-	-
Prepays and other assets	43,991	12,899	56,890	-	14,898
Internal balances	362	(362)	-	-	-
Notes/Loans receivable	7,093	40,507	47,600	-	-
Net OPEB asset	-	-	-	103	-
Capital assets:					
Nondepreciable	438,539	35,750	474,289	-	16,083
Depreciable, net	1,551,598	69,325	1,620,923	-	42,647
Lease assets, net of accum amort	40,027	27,824	67,851	28	-
Subscription assets, net of accum amort	5,353	3,162	8,515	-	11,770
Total assets	<u>6,468,426</u>	<u>551,987</u>	<u>7,020,413</u>	<u>19,454</u>	<u>1,157,034</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	407,209	66,766	473,975	557	1,967
OPEB related	95,655	20,622	116,277	148	-
Total deferred outflows of resources	<u>502,864</u>	<u>87,388</u>	<u>590,252</u>	<u>705</u>	<u>1,967</u>
LIABILITIES					
Accounts payable	137,685	29,364	167,049	1,152	5,071
Payable from restricted cash and investments	-	195	195	-	-
Accrued interest payable	5,810	186	5,996	-	-
Accrued salaries and benefits	22,982	6,283	29,265	38	-
Accrued liabilities	633	269	902	-	258,538
Due to other governmental agencies	54,116	172,528	226,644	-	202,037
Unearned revenues	188,974	1,672	190,646	4,419	-
Deposits	14	1	15	-	-
Long-term liabilities:					
Net pension liability - due beyond one year	574,414	148,389	722,803	1,160	2,826
Net OPEB liability - due beyond one year	73,837	16,801	90,638	-	-
Lease revenue bonds - due within one year	23,315	-	23,315	-	-
Lease revenue bonds - due beyond one year	474,685	-	474,685	-	-
Lease liabilities - due within one year	10,184	2,026	12,210	31	-
Lease liabilities - due beyond one year	33,631	28,877	62,508	-	-
Subscription liabilities - due within one year	4,801	1,353	6,154	-	4,379
Subscription liabilities - due beyond one year	2,441	1,781	4,222	-	4,571
Notes payable - due within one year	-	91	91	-	-
Notes payable - due beyond one year	-	1,720	1,720	-	-
Other long-term obligations - due within one year	175	-	175	-	-
Other long-term obligations - due beyond one year	3,280	2,633	5,913	-	-
Estimated claims - due within one year	26,192	-	26,192	-	-
Estimated claims - due beyond one year	37,025	-	37,025	-	-
Compensated absences - due within one year	58,908	16,809	75,717	166	-
Compensated absences - due beyond one year	51,955	7,194	59,149	285	-
Total liabilities	<u>1,785,057</u>	<u>438,172</u>	<u>2,223,229</u>	<u>7,251</u>	<u>477,422</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized gain on refunding debts	13,164	-	13,164	-	-
Pension related	1,579	367	1,946	2	3
OPEB related	32,806	7,228	40,034	125	-
Lease related	1,279	20,492	21,771	-	1,575
Total deferred inflows of resources	<u>48,828</u>	<u>28,087</u>	<u>76,915</u>	<u>127</u>	<u>1,578</u>
NET POSITION					
Net investment in capital assets	1,523,352	100,213	1,623,565	(3)	58,730
Restricted for:					
Public assistance	275,705	1,452	277,157	-	-
Road and sanitation	165,750	-	165,750	-	-
Debt service	28,550	-	28,550	-	-
Other purposes	15,623	-	15,623	103	300
Unrestricted	3,128,425	71,451	3,199,876	12,681	620,971
Total net position	<u>\$ 5,137,405</u>	<u>\$ 173,116</u>	<u>\$ 5,310,521</u>	<u>\$ 12,781</u>	<u>\$ 680,001</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, 2025
(In Thousands)

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:				
Primary government				
Governmental activities:				
General government	\$ 316,707	\$ 58,541	\$ 74,466	\$ -
Public protection	569,134	60,908	204,482	-
Public ways and facilities	40,798	4,509	31,892	-
Health and sanitation	566,316	148,220	261,515	-
Public assistance	390,299	4,323	303,213	-
Recreation	27,855	2,836	103	-
Interest on long-term liabilities	20,100	-	-	-
Total governmental activities	1,931,209	279,337	875,671	-
Business-type activities:				
San Mateo Medical Center	465,268	402,962	6,008	291
Airports	6,261	3,631	276	-
Coyote Point Marina	1,500	1,555	-	-
Housing Authority	159,073	167,602	-	-
Total business-type activities	632,102	575,750	6,284	291
Total primary government	\$ 2,563,311	\$ 855,087	\$ 881,955	\$ 291
Component units:				
First 5 San Mateo County	\$ 6,476	\$ -	\$ 5,294	\$ -
Health Plan of San Mateo	\$ 1,227,262	\$ 1,239,684	\$ -	\$ -
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 as previously reported				
Cumulative effect of accounting change				
Net position, beginning of year, as restated				
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, 2025
(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, 2024)
\$ (183,700)	\$ -	\$ (183,700)		
(303,744)	-	(303,744)		
(4,397)	-	(4,397)		
(156,581)	-	(156,581)		
(82,763)	-	(82,763)		
(24,916)	-	(24,916)		
(20,100)	-	(20,100)		
(776,201)	-	(776,201)		
-	(56,007)	(56,007)		
-	(2,354)	(2,354)		
-	55	55		
-	8,529	8,529		
-	(49,777)	(49,777)		
(776,201)	(49,777)	(825,978)		
			\$ (1,182)	
				\$ 12,422
965,784	-	965,784	-	-
10,398	-	10,398	-	-
148,088	-	148,088	-	-
6,807	-	6,807	-	-
1,745	-	1,745	-	-
12,880	-	12,880	-	-
212,310	3,114	215,424	920	39,508
68,502	2,209	70,711	-	1,413
(52,124)	52,124	-	-	-
1,374,390	57,447	1,431,837	920	40,921
598,189	7,670	605,859	(262)	53,343
4,560,851	170,145	4,730,996	13,248	626,658
(21,635)	(4,699)	(26,334)	(205)	-
4,539,216	165,446	4,704,662	13,043	626,658
\$ 5,137,405	\$ 173,116	\$ 5,310,521	\$ 12,781	\$ 680,001

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 as previously reported

Cumulative effect of accounting change

Net position, beginning of year, as restated

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, 2025
(In Thousands)

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 3,038,027	\$ 82,760	\$ 366,127	\$ 3,486,914
Restricted cash and investments	-	2,147	31,453	33,600
Receivables (net):				
Accounts	2,820	-	197	3,017
Interest	58,617	516	3,883	63,016
Taxes	24,698	-	922	25,620
Mortgages	252,827	-	-	252,827
Other	4,364	-	-	4,364
Lease receivable	6,550	-	-	6,550
Due from other funds	2,044	-	2,048	4,092
Due from other governmental agencies	408,604	550	6,555	415,709
Loan receivable	7,093	-	-	7,093
Prepaid items	31,722	256	113	32,091
Inventories	83	-	315	398
Advances to other funds	7,042	-	-	7,042
Total assets	<u>\$ 3,844,491</u>	<u>\$ 86,229</u>	<u>\$ 411,613</u>	<u>\$ 4,342,333</u>
LIABILITIES				
Accounts payable	\$ 89,663	\$ 6,192	\$ 40,134	\$ 135,989
Accrued salaries and benefits	22,457	-	454	22,911
Accrued liabilities	631	-	2	633
Due to other funds	2,368	-	1,717	4,085
Due to other governmental agencies	54,116	-	-	54,116
Unearned revenues	188,151	-	823	188,974
Deposits	-	-	14	14
Advances from other funds	-	-	5,650	5,650
Total liabilities	<u>357,386</u>	<u>6,192</u>	<u>48,794</u>	<u>412,372</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	640,958	-	3,820	644,778
Lease related	6,204	-	-	6,204
Total deferred inflows of resources	<u>647,162</u>	<u>-</u>	<u>3,820</u>	<u>650,982</u>
FUND BALANCES				
Nonspendable	48,391	256	428	49,075
Restricted	283,752	79,781	200,811	564,344
Assigned	13,974	-	157,760	171,734
Unassigned	2,493,826	-	-	2,493,826
Total fund balances	<u>2,839,943</u>	<u>80,037</u>	<u>358,999</u>	<u>3,278,979</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,844,491</u>	<u>\$ 86,229</u>	<u>\$ 411,613</u>	<u>\$ 4,342,333</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, 2025
(In Thousands)

Fund balances - total governmental funds (page 24) \$ 3,278,979

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.	501,468
Deferred inflows of resources in governmental activities does not require the use of financial resources and, therefore, are not reported in the governmental funds.	(48,633)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,977,062
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	40,027
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	5,353
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.	650,982
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.	46,717
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.	(5,810)
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	\$ (498,000)
Leases payable	(43,815)
Subscriptions payable	(7,242)
Other long-term obligations	(3,455)
Compensated absences	(110,565)
Net pension liability	(572,203)
Net OPEB liability	(73,460)
	(1,308,740)

Net position of governmental activities (page 21) **\$ 5,137,405**

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, 2025
(In Thousands)

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 1,084,436	\$ -	\$ 40,285	\$ 1,124,721
Licenses and permits	9,210	-	3,764	12,974
Intergovernmental	763,666	-	78,835	842,501
Charges for services	237,065	-	48,351	285,416
Fines, forfeitures and penalties	4,879	-	1,314	6,193
Rents and concessions	4,963	-	80	5,043
Investment income	178,784	4,711	22,347	205,842
Other revenues	38,032	927	718	39,677
Total revenues	<u>2,321,035</u>	<u>5,638</u>	<u>195,694</u>	<u>2,522,367</u>
Expenditures:				
Current:				
General government	268,517	106	1,042	269,665
Public protection	506,999	-	4,666	511,665
Public ways and facilities	-	-	37,781	37,781
Health and sanitation	502,758	-	31,375	534,133
Public assistance	336,726	-	40,597	377,323
Recreation	24,597	-	-	24,597
Capital outlay	146,416	4,824	134,168	285,408
Debt service:				
Principal	-	23,601	172	23,773
Interest	-	25,061	52	25,113
Payment to refunded bonds escrow agent	-	73,730	-	73,730
Bond issuance costs	-	255	-	255
Total expenditures	<u>1,786,013</u>	<u>127,577</u>	<u>249,853</u>	<u>2,163,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>535,022</u>	<u>(121,939)</u>	<u>(54,159)</u>	<u>358,924</u>
Other financing sources (uses):				
Leases	5,302	-	-	5,302
Subscriptions	2,219	-	1,104	3,323
Transfers in	87,565	122,379	182,424	392,368
Transfers out	<u>(299,629)</u>	<u>-</u>	<u>(144,770)</u>	<u>(444,399)</u>
Total other financing sources (uses)	<u>(204,543)</u>	<u>122,379</u>	<u>38,758</u>	<u>(43,406)</u>
Net change in fund balances	<u>330,479</u>	<u>440</u>	<u>(15,401)</u>	<u>315,518</u>
Fund balances - beginning	<u>2,509,464</u>	<u>79,597</u>	<u>374,400</u>	<u>2,963,461</u>
Fund balances - end	<u>\$ 2,839,943</u>	<u>\$ 80,037</u>	<u>\$ 358,999</u>	<u>\$ 3,278,979</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, 2025
(In Thousands)

Net change in fund balances - total governmental funds (page 26) \$ 315,518

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	\$ 207,395	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, and trade-ins	(3,332)	
Less current year amortization	(23,338)	
Less current year depreciation	<u>(51,049)</u>	129,676

Pension contributions made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements 200,064

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 33,235

Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities. 59,781

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:

Defeasance of the prior bonds	73,730	
Lease revenue bonds	23,601	
Leases and subscriptions	<u>22,360</u>	119,691

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

Amortization and defeasance of bond premium	12,069	
Amortization and defeasance of gain and loss on refunding	(7,948)	
Change in accrued interest payable	1,853	
Addition to accretion of capital appreciation bonds	(183)	
Deduction to accretion of capital appreciation bonds	1,009	
Change in other long-term liabilities	172	
Change in compensated absences	<u>(8,732)</u>	(1,760)

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 (248,790)

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 (22,348)

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. 13,122

Change in net position of governmental activities (page 23) **\$ 598,189**

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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 1,878	\$ 35,661	\$ 4,960	\$ 42,499	\$ 84,058
Restricted cash and investments	-	1,647	-	1,647	-
Receivables (net):					
Accounts	22,423	15	33	22,471	743
Grant	8	-	-	8	-
Interest	-	1,000	58	1,058	881
Other	5,805	-	-	5,805	-
Lease receivable	-	64	139	203	-
Due from other funds	8	-	113	121	819
Due from other governmental agencies	262,633	1,505	-	264,138	3,651
Inventories	4,092	-	-	4,092	115
Notes receivable	-	6	-	6	-
Prepays and other assets	3,263	5,437	77	8,777	11,900
Total current assets	<u>300,110</u>	<u>45,335</u>	<u>5,380</u>	<u>350,825</u>	<u>102,167</u>
Noncurrent assets:					
Notes receivable	-	40,381	-	40,381	-
Loan receivable	120	-	-	120	-
Deposits	4,122	-	-	4,122	-
Lease receivable	-	20,961	-	20,961	-
Capital assets:					
Nondepreciable	19,813	5,970	9,967	35,750	-
Depreciable, net	31,009	1,743	36,573	69,325	13,075
Lease assets, net of accum amort	26,603	1,221	-	27,824	-
Subscription assets, net of accum amort	3,162	-	-	3,162	-
Total noncurrent assets	<u>84,829</u>	<u>70,276</u>	<u>46,540</u>	<u>201,645</u>	<u>13,075</u>
Total assets	<u>384,939</u>	<u>115,611</u>	<u>51,920</u>	<u>552,470</u>	<u>115,242</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	66,014	-	752	66,766	929
OPEB-related items	19,958	363	301	20,622	467
Total deferred outflows of resources	<u>85,972</u>	<u>363</u>	<u>1,053</u>	<u>87,388</u>	<u>1,396</u>
LIABILITIES					
Current liabilities:					
Accounts payable	28,300	851	213	29,364	1,696
Payable from restricted cash and investments	-	195	-	195	-
Accrued interest payable	109	-	77	186	-
Accrued salaries and benefits	6,041	184	58	6,283	71
Accrued liabilities	-	269	-	269	-
Due to other funds	595	-	-	595	352
Due to other governmental agencies	172,325	203	-	172,528	-
Unearned revenues	1,329	303	40	1,672	-
Deposits	-	-	1	1	-
Notes payable - current	-	1	90	91	-
Compensated absences - current	16,105	509	195	16,809	207
Lease liabilities - current	1,409	617	-	2,026	-
Subscription liabilities - current	1,353	-	-	1,353	-
Estimated claims - current	-	-	-	-	26,192
Total current liabilities	<u>227,566</u>	<u>3,132</u>	<u>674</u>	<u>231,372</u>	<u>28,518</u>
Noncurrent liabilities:					
Advances from other funds	944	-	-	944	448
Net pension liability	146,896	-	1,493	148,389	2,211
Net OPEB liability	16,061	523	217	16,801	377
Notes payable - noncurrent	-	28	1,692	1,720	-
Compensated absences - noncurrent	6,835	256	103	7,194	91
Lease liabilities - noncurrent	28,225	652	-	28,877	-
Subscription liabilities - noncurrent	1,781	-	-	1,781	-
Estimated claims - noncurrent	-	-	-	-	37,025
Other long-term liabilities - noncurrent	890	1,743	-	2,633	-
Total noncurrent liabilities	<u>201,632</u>	<u>3,202</u>	<u>3,505</u>	<u>208,339</u>	<u>40,152</u>
Total liabilities	<u>429,198</u>	<u>6,334</u>	<u>4,179</u>	<u>439,711</u>	<u>68,670</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	287	-	80	367	32
OPEB related	6,890	241	97	7,228	163
Lease related	-	20,360	132	20,492	-
Total deferred inflows of resources	<u>7,177</u>	<u>20,601</u>	<u>309</u>	<u>28,087</u>	<u>195</u>
NET POSITION					
Net investment in capital assets	47,819	7,636	44,758	100,213	13,075
Restricted:					
Housing assistance programs	-	1,452	-	1,452	-
Unrestricted	(13,283)	79,951	3,727	70,395	34,698
Total net position	<u>\$ 34,536</u>	<u>\$ 89,039</u>	<u>\$ 48,485</u>	<u>172,060</u>	<u>\$ 47,773</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,056	
Net position of business-type activities (page 21)				<u>\$ 173,116</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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 575,361	\$ -	\$ 1,730	\$ 577,091	\$ 212,451
Less:					
Contractual allowances	(365,508)	-	-	(365,508)	-
Provision for doubtful accounts	(1,736)	-	-	(1,736)	-
Net charges for services	208,117	-	1,730	209,847	212,451
Other program revenues:					
Supplemental programs	153,094	-	-	153,094	-
Premium revenues	10,357	-	-	10,357	-
Sales tax realignment	15,744	-	-	15,744	-
Other operating revenues:					
Rent and concessions	3,790	2,552	3,456	9,798	-
Revenue from housing assistance payments	-	165,050	-	165,050	-
Revenue from foundations	3,400	-	-	3,400	-
Sales of drugs and medical supplies, fees, and others	8,460	-	-	8,460	-
Miscellaneous	-	1,864	345	2,209	11,119
Total operating revenues	<u>402,962</u>	<u>169,466</u>	<u>5,531</u>	<u>577,959</u>	<u>223,570</u>
Operating expenses:					
Salaries and benefits	197,945	7,884	2,392	208,221	2,706
Pension expense	45,998	-	557	46,555	705
OPEB expense	4,608	140	75	4,823	108
Pharmaceutical drugs	16,098	-	-	16,098	-
Supplies	17,262	-	-	17,262	-
Contract provider services	80,301	-	-	80,301	-
Other fees and purchased services	82,371	-	-	82,371	-
General and administrative	14,012	8,706	3,515	26,233	18,629
Benefits and claims	-	-	-	-	32,149
Insurance premiums	-	-	-	-	155,674
Depreciation	4,137	379	1,187	5,703	2,899
Amortization	3,555	611	-	4,166	-
Housing assistance payments	-	141,353	-	141,353	-
Total operating expenses	<u>466,287</u>	<u>159,073</u>	<u>7,726</u>	<u>633,086</u>	<u>212,870</u>
Operating income (loss)	<u>(63,325)</u>	<u>10,393</u>	<u>(2,195)</u>	<u>(55,127)</u>	<u>10,700</u>
Nonoperating revenues (expenses):					
State and federal grants	-	-	276	276	-
Medi-Cal rate differential	6,008	-	-	6,008	-
Loss from disposal of capital assets	(43)	-	-	(43)	-
Investment income	129	2,614	371	3,114	4,482
Interest expense	(856)	-	(84)	(940)	-
Total nonoperating revenues, net	<u>5,238</u>	<u>2,614</u>	<u>563</u>	<u>8,415</u>	<u>4,482</u>
Income (loss) before capital contributions and transfers	<u>(58,087)</u>	<u>13,007</u>	<u>(1,632)</u>	<u>(46,712)</u>	<u>15,182</u>
Capital contributions	291	-	-	291	-
Transfers in	63,622	-	-	63,622	-
Transfers out	(11,498)	-	-	(11,498)	(93)
Change in net position	<u>(5,672)</u>	<u>13,007</u>	<u>(1,632)</u>	<u>5,703</u>	<u>15,089</u>
Net position - beginning as previously reported	44,801	76,032	50,223	171,056	32,767
Cumulative effect of accounting change	(4,593)	-	(106)	(4,699)	(83)
Net position - beginning, as restated	<u>40,208</u>	<u>76,032</u>	<u>50,117</u>	<u>166,357</u>	<u>32,684</u>
Net position - end	<u>\$ 34,536</u>	<u>\$ 89,039</u>	<u>\$ 48,485</u>	<u>\$ 172,060</u>	<u>\$ 47,773</u>
Change in net position of enterprise funds				\$ 5,703	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,967	
Change in net position of business-type activities (page 23)				<u>\$ 7,670</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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash receipts from customers	\$ 397,437	\$ 170,891	\$ 5,476	\$ 573,804	\$ -
Cash receipts from interfund services provided	-	-	-	-	220,962
Cash paid to suppliers of goods and services	(214,641)	(8,132)	(3,830)	(226,603)	(174,037)
Cash paid to employees for services	(229,159)	(8,221)	(2,928)	(240,308)	(3,277)
Cash paid for housing assistance	-	(143,582)	-	(143,582)	-
Cash paid for judgments and claims	-	-	-	-	(32,379)
Net cash provided by (used in) operating activities	<u>(46,363)</u>	<u>10,956</u>	<u>(1,282)</u>	<u>(36,689)</u>	<u>11,269</u>
Cash flows from noncapital financing activities					
County subsidy transfers	63,622	-	-	63,622	-
Transfers paid to other funds	(11,498)	-	-	(11,498)	(93)
Loan repayment to other funds	478	-	-	478	-
Loan payments to other funds	-	-	-	-	(96)
Cash receipts related to Medi-Cal rate differential	6,008	-	-	6,008	-
State and federal grant receipts	-	-	276	276	-
Net cash provided by noncapital financing activities	<u>58,610</u>	<u>-</u>	<u>276</u>	<u>58,886</u>	<u>(189)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(9,485)	(81)	(1,281)	(10,847)	(7,458)
Capital contributions received	291	-	-	291	-
Principal paid on long-term debt	-	(1)	(85)	(86)	-
Interest paid on long-term debt	-	-	(87)	(87)	-
Cash paid on lease/subscription liability	(3,776)	(562)	-	(4,338)	-
Cash paid for interest on lease/subscription liability	-	(36)	-	(36)	-
Net cash used in capital and related financing activities	<u>(12,970)</u>	<u>(680)</u>	<u>(1,453)</u>	<u>(15,103)</u>	<u>(7,458)</u>
Cash flows from investing activities					
Principal received from loans and investments	12	1,451	-	1,463	-
Cash disbursed for loans	-	(12,733)	-	(12,733)	-
Interest received from loans and investments	-	145	-	145	-
Investment income received	129	1,849	415	2,393	4,367
Net cash provided by investing activities	<u>141</u>	<u>(9,288)</u>	<u>415</u>	<u>(8,732)</u>	<u>4,367</u>
Net increase (decrease) in cash and cash equivalents	(582)	988	(2,044)	(1,638)	7,989
Cash and cash equivalents, beginning	2,460	36,320	7,004	45,784	76,069
Cash and cash equivalents, end	<u>\$ 1,878</u>	<u>\$ 37,308</u>	<u>\$ 4,960</u>	<u>\$ 44,146</u>	<u>\$ 84,058</u>
Financial statement presentation:					
Cash and investments	\$ 1,878	\$ 35,661	\$ 4,960	\$ 42,499	\$ 84,058
Restricted cash and investments	-	1,647	-	1,647	-
Cash and cash equivalents, end	<u>\$ 1,878</u>	<u>\$ 37,308</u>	<u>\$ 4,960</u>	<u>\$ 44,146</u>	<u>\$ 84,058</u>

(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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	San Mateo Medical Center	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (63,325)	\$ 10,393	\$ (2,195)	\$ (55,127)	\$ 10,700
Adjustments to reconcile operating income (loss) to net cash provided by (used in) from operating activities:					
Depreciation and amortization	7,692	990	1,187	9,869	2,899
Decrease (increase) in:					
Accounts receivable	(792)	(13)	35	(770)	383
Lease receivable	-	(2)	(5)	(7)	-
Other receivable	1,620	-	-	1,620	-
Due from other funds	44	-	(92)	(48)	(671)
Due from other governmental agencies	(66,052)	503	-	(65,549)	(644)
Inventories	(1,161)	-	-	(1,161)	(2)
Other assets	355	(753)	(6)	(404)	(1,676)
Deferred outflows of resources	29,401	(26)	-	29,375	319
Increase (decrease) in:					
Accounts payable	(3,436)	(65)	(309)	(3,810)	452
Accrued salaries and benefits	1,170	54	8	1,232	11
Accrued liabilities	-	(134)	-	(134)	-
Due to other funds	-	-	(1)	(1)	(184)
Due to other governmental agencies	-	116	-	116	-
Unearned revenues	(63)	(41)	8	(96)	-
Refundable deposits	59,363	-	-	59,363	-
Net pension liability	(14,044)	-	153	(13,891)	(135)
Net OPEB liability	2,186	120	(25)	2,281	53
Lease liabilities	-	-	-	-	-
Compensated absences	2,140	94	(71)	2,163	2
Estimated claims	-	-	-	-	(230)
Deferred inflows of resources	(1,461)	(280)	31	(1,710)	(8)
Net cash provided by (used in) operating activities	<u>\$ (46,363)</u>	<u>\$ 10,956</u>	<u>\$ (1,282)</u>	<u>\$ (36,689)</u>	<u>\$ 11,269</u>
Supplemental disclosure of noncash capital and noncapital financing activities:					
Noncash capital and related financing activities:					
Lease and SBITA assets and liabilities addition	\$ 2,924	\$ 1,832	\$ -	\$ 4,756	\$ -

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, 2025
(In Thousands)

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash and investments (in County investment pool)	\$ 6,270	\$ 4,642,557	\$ 240,862	\$ 375,183
Cash and investments (outside County investment pool)	341,591	-	-	-
Receivables (net):				
Due from broker for investments sold	29,653	-	-	-
Contributions	2,150	-	-	-
Accounts	-	-	-	597
Interest	15,054	49,819	2,528	3,981
Securities lending income	42	-	-	-
Taxes, net	-	-	-	221,524
Other	3,786	-	94	337
Due from other governmental agencies	-	12,600	-	37,474
Prepaid expense	353	-	-	-
Investments:				
Fixed income	1,657,028	-	-	-
Equity	2,942,233	-	-	-
Alternatives	929,758	-	-	-
Inflation hedge	1,268,470	-	-	-
Liquidity	226,534	-	-	-
Capital assets, net	2,788	-	-	-
Other assets	-	240	-	35,642
Total assets	<u>7,425,710</u>	<u>4,705,216</u>	<u>243,484</u>	<u>674,738</u>
LIABILITIES				
Accounts payable	2,014	1,907	496	5,197
Due to broker for investments purchased	51,645	-	-	-
Due to other governmental agencies	-	-	223,868	870
Securities lending collateral due to borrowers	147,228	-	-	-
Lease liabilities	1,452	-	-	-
Other liabilities	9,570	12,706	76	280,527
Total liabilities	<u>211,909</u>	<u>14,613</u>	<u>224,440</u>	<u>286,594</u>
NET POSITION				
Restricted for:				
Pension benefits	7,213,801	-	-	-
Investment pool participants	-	4,690,603	-	-
Individuals, organizations and other governments	-	-	19,044	388,144
Total net position	<u>\$ 7,213,801</u>	<u>\$ 4,690,603</u>	<u>\$ 19,044</u>	<u>\$ 388,144</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, 2025
(In Thousands)

	SamCERA Pension Trust	Investment Trust	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Employer contributions	\$ 189,302	\$ -	\$ -	\$ -
Employer supplementary contributions	50,000	-	-	-
Plan member contributions	88,536	-	-	-
Contributions to investment pool	-	6,095,208	-	167,571
Contributions held on bequests	-	-	-	28,627
Property taxes collected for other governments	-	-	5,091,411	1,393,747
Total contributions	<u>327,838</u>	<u>6,095,208</u>	<u>5,091,411</u>	<u>1,589,945</u>
Net investment income:				
Net appreciation in fair value of investments	685,518	85,844	-	-
Interest and investment income	170,584	460,977	10,496	24,306
Investment expense	(99,534)	-	-	-
Securities lending activities:				
Securities lending income	384	-	-	-
Securities lending expenses	(84)	-	-	-
Total net investment income	<u>756,868</u>	<u>546,821</u>	<u>10,496</u>	<u>24,306</u>
Total additions	<u>1,084,706</u>	<u>6,642,029</u>	<u>5,101,907</u>	<u>1,614,251</u>
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries:				
Service retirement benefits	300,414	-	-	-
Disability retirement benefits	35,197	-	-	-
Death and other benefits	1,403	-	-	-
Withdrawals of members' contributions	5,871	-	-	-
Beneficiary payments to individuals	-	-	-	35,364
Total benefits and refunds paid to plan members and beneficiaries	<u>342,885</u>	<u>-</u>	<u>-</u>	<u>35,364</u>
Distributions from investment pool	-	6,307,384	-	205,017
Property taxes distributed to other governments	-	-	5,100,191	1,331,176
Payments to other local governments	-	-	-	18,387
Administrative expenses	9,712	-	-	2,781
Interest expense	-	-	-	8,816
Total deductions	<u>352,597</u>	<u>6,307,384</u>	<u>5,100,191</u>	<u>1,601,541</u>
Change in net position	732,109	334,645	1,716	12,710
Net position - beginning	<u>6,481,692</u>	<u>4,355,958</u>	<u>17,328</u>	<u>375,434</u>
Net position - end	<u>\$ 7,213,801</u>	<u>\$ 4,690,603</u>	<u>\$ 19,044</u>	<u>\$ 388,144</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, 2025
(In Thousands)

NOTE 1 – THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

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

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

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

(b) Blended Component Units

San Mateo County Joint Powers Financing Authority

The San Mateo County Joint Powers Financing Authority (JPFA), a joint exercise of powers agency organized under the laws of the State of California by agreements dated May 15, 1993, was formed to assist the County in the financing of public capital improvements. The County Board appointed a five-member board to set policies. The JPFA has no employees, and its daily operation is conducted by County employees or consultants. Because its financial and operational relationship with the County is closely integrated, the JPFA is reported as a major governmental fund in the County's basic financial statements. The JPFA issues a separate financial report that can be obtained by writing to the Office of the County Executive, 500 County Center, 5th Floor, Redwood City, California 94063.

Housing Authority of the County of San Mateo

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

In-Home Supportive Services (IHSS) Public Authority

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

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

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

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

(c) Discretely Presented Component Units

First 5 San Mateo County

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

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

Health Plan of San Mateo

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

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

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

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

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

(d) Component Unit – Fiduciary in Nature

San Mateo County Employees' Retirement Association

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-wide Financial Statements

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

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

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

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Fund Financial Statements

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County also reports the following additional fund types:

- *Internal Service Funds* (provided to departments or other governmental agencies) account for the County's fleet services, tower 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), enterprise infrastructure replacement, radio infrastructure replacement, and server and data computing infrastructure replacement on a cost-reimbursement basis.
- *Fiduciary Funds* are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other government units.

These funds include:

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

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

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

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C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

For the fiscal year ended June 30, 2025, 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 \$252.8 million, net of allowance of \$25.9 million, on the governmental funds balance sheet as of June 30, 2025.

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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 Other than Lease and Subscription 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 \$10 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 2024-25 the County performed a complete, physical assessment of the maintained pavement subsystem condition. The condition assessment is completed annually.

Each road segment is rated and given a Pavement Condition Index (PCI) value from zero to one hundred (0 – 100). Roads with a PCI of 40 or higher are considered in a "Fair" or better condition. Roads with a PCI of 55 or higher are in a "Good" or better condition. The County's policy is to maintain a minimum PCI of 40 for at least 65 percent of roads with no defined structural section (secondary roads), and a minimum PCI of 55 for at least 75 percent of roads with a defined structural section (primary roads). Under the modified approach, depreciation is not reported for this subsystem and all expenditures, except for betterments and major improvements, made to the subsystem are expensed.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives of the capital assets, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until the outflow occurs. The County has deferred outflows of resources related to pension and OPEB.

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In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until the inflow occurs. The County has deferred inflows of resources related to the unamortized gain on refunding of debts. The gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

The County also has deferred inflows of resources related to unavailable revenues and leases reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pension and OPEB, and leases in its proprietary and government-wide statements. The governmental funds report unavailable revenues from property taxes, reimbursements from the federal and State, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available.

8. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by SamCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Plan investments are reported at fair value.

9. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflow of resources related to OPEB, and OPEB expense, information about the fiduciary net position of San Mateo County's employee retiree benefits plan, administered by CalPERS' California Employers' Retiree Benefit Trust (CERBT) and additions to/deductions from the CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, the County recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The County is not obligated to pay for unused sick leave if employees terminate employment prior to retirement, except for laid-off employees. Upon retirement, employees can convert their unused sick leave to postemployment healthcare benefits. The amount and duration of the County-paid benefits vary, depending on the bargaining units to which the employee belongs. See Note 13 for further discussion.

10. Compensated Absences (Accrued Vacation, Compensatory Time, Holiday, and Sick Leave)

The County's policy allows employees to accumulate earned but unused vacation, compensatory, holiday time and sick leave hours, which only unused vacation, compensatory, and holiday time are eligible for payment upon separation from County service. Accumulated sick leave lapses when employees leave the County and, upon separation from service, no monetary paid-out. The measurement of unpaid accumulated sick leave liability is based on the estimated assumption of the past five-year average usage. 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 is due and payable. The liability for compensated absences includes the County's share of social security and Medicare contributions payable on behalf of the employees.

11. Net Position

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To determine the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County depletes restricted net position before unrestricted net position is applied.

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12. Fund Balance Policies

Fund balance of governmental funds is reported in the following categories based on the nature of limitations confining the use of resources for specific purposes:

- *Nonspendable Fund Balance* – includes amounts that are (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid amounts, and long-term interfund advances and receivables.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – represents amounts that can only be used for specific purposes through resolutions authorized by the County Board. Commitments can only be modified or lifted through Board resolutions.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The County Executive and department heads can assign available fund balance to be used for specific purposes during budget identification. Budgets recommended by departments require the County’s Board approval. Unlike commitments, assignments generally only exist temporarily. Further action is not needed to remove the assignment.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (committed, assigned, and unassigned fund balances). To determine the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County depletes restricted fund balance before unrestricted fund balance is applied. Further, in circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

13. Leases / Subscriptions

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

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

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D. Revenues and Expenditures / Expenses

1. Property Tax Levy, Collection, and Maximum Rates

The State’s Constitution Article XIII A, commonly known as Proposition 13, provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless two-thirds of the voters have approved additional taxes be levied to fund general obligation bond debt service. Under Proposition 13, beginning with FY 1978-79, assessed value was calculated at 100% of market value (also known as base value) and may be increased by no more than 2% per year unless the property is sold or transferred. In November 2000, California voters approved Proposition 39 that sets the approval threshold at 55% for school facilities related bonds.

The County is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction. The State legislature determines the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. For fiscal year 2024-25, the total secured and unsecured assessed property value, net of all exemptions, and including utility, unitary, and railroad properties assessed by the State, was \$328.1 billion. This amount includes \$38.5 billion in redevelopment assessed value. On the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied. On the fund financial statements, property tax revenues are deferred if not received within two months after fiscal year-end. The County levies, bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	On or before November 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 for November April 10 for February	August 31

Effective July 1, 1993, the County began apportioning secured property tax revenue in accordance with the alternate method of distribution, the Teeter Plan, as prescribed by Section 4717 of the California Revenue and Taxation Code. Under the Teeter Plan, the County allocates to local taxing agencies 100% of the secured countywide 1% property taxes. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property. The County legally is required to maintain a minimum of 1% of the total tax levies on secured properties within the tax areas of participating entities, which was about \$39.7 million at June 30, 2025.

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 \$265.8 million at June 30, 2025.

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 \$269.6 million from the excess ERAF for the fiscal year ended June 30, 2025.

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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 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. As of July 1, 2024, the County implemented this statement and restated the beginning net position to record the impact of the changes in compensated absences liabilities as follows:

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	As previously reported	GASB Statement No. 101 implementation	As restated
Governmental Activities	\$ 4,560,851	\$ (21,635)	\$ 4,539,216
Business-type Activities	<u>170,145</u>	<u>(4,699)</u>	<u>165,446</u>
Total Primary Government	<u>\$ 4,730,996</u>	<u>\$ (26,334)</u>	<u>\$ 4,704,662</u>
Business-type Activities - Enterrise Funds			
San Mateo Medical Center	<u>\$ 44,801</u>	<u>\$ (4,593)</u>	<u>\$ 40,208</u>
Other Enterprise Funds	<u>\$ 50,223</u>	<u>\$ (106)</u>	<u>\$ 50,117</u>
Governmental Activities			
Internal Service Funds	<u>\$ 32,767</u>	<u>\$ (83)</u>	<u>\$ 32,684</u>
Component Unit			
First 5 San Mateo County	<u>\$ 13,248</u>	<u>\$ (205)</u>	<u>\$ 13,043</u>

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

The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements that are effective subsequent to June 30, 2025.

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

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

In December 2025, the GASB issued GASB Statement No. 105, *Subsequent Events*. The objective of this statement is to improve financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This statement is effective for the County’s fiscal year June 30, 2027.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025
(In Thousands)

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity/Net Position

At June 30, 2025, the Tower Road Construction, and the Workers' Compensation Insurance internal service funds, reported net deficits of \$1.1 million and \$20.5 million, respectively.

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

Workers' Compensation Insurance. This fund has accumulated insufficient net position to pay for workers' compensation claims on a pay as you go basis. The County has sufficient General Fund reserves to cover the deficit in this fund as needed. In addition, the County will continue to phase in premium rate increases and work with departments to inhibit growth in operating costs.

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, 2025, the net asset value of involuntary participation in the investment pool was \$7.4 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	\$ 224
Money market deposit accounts - JPFA	2,853
Cash and deposits - SamCERA	194,363
Deposits - County	40,319 ¹
Cash deposits - HPSM	453,821 ²
Cash equivalents - HPSM	<u>227,310 ²</u>
Total cash	<u>918,890</u>

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

Primary government	\$ 3,648,718
Discretely presented component unit - First 5	18,242
Discretely presented component unit - HPSM	869,255 ²
Pension trust fund	7,371,884
Investment trust fund	4,642,557
Private purpose trust funds	240,862
Custodial funds	<u>375,183</u>
Total cash and investments	<u>\$ 17,166,701</u>

Investments:

In Treasurer's pool	8,953,089
With fiscal agents of the County	495
With fiscal agents of the JPFA	49,645
In SamCERA's portfolio	7,171,251
In Library's portfolio	2,457
In HPSM's portfolio	<u>73,100 ²</u>
Total investments	16,250,037
Perspective difference	<u>(2,226) ³</u>
	<u>16,247,811</u>
Total cash and investments	<u>\$ 17,166,701</u>

¹ At year-end, the carrying amount of the County's cash deposits was \$40,319 and the bank balance was \$157,216. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

² HPSM's cash and investments were as of December 31, 2024.

³ Perspective difference represents the difference between HPSM's participation in the Treasurer's pool at December 31, 2024 and June 30, 2025, which was \$115.0 and \$117.2 million, respectively.

COUNTY OF SAN MATEO
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Investments

The table below summarizes total investments reported as of June 30, 2025:

	Interest Rates	Maturities	Par Value	Fair Value	Weighted Average Maturity (Years)
Investments in Investment Pool					
Negotiable certificates of deposit	4.18% - 5.61%	7/7/25 - 2/1/27	\$ 294,000	\$ 294,210	0.69
U.S. treasury notes	0.25% - 4.88%	7/31/25 - 5/31/30	2,717,090	2,658,020	2.45
U.S. treasury bills	0%	8/15/27 - 8/15/29	75,000	66,668	3.10
U.S. government agency securities	0% - 5.45%	7/11/25 - 6/24/30	2,953,261	2,939,024	2.86
U.S. instrumentalities ²	0% - 5.13%	7/15/25 - 2/14/30	1,151,794	1,149,541	2.01
Corporate bonds	0.99% - 6.07%	8/11/25 - 6/13/30	1,033,349	1,033,322	2.67
Municipal bonds	0.77%	8/1/25	6,735	6,715	0.09
Money market funds	0%	**	134,309	134,309	*
CalTrust liquidity fund	4.15%	7/1/25	150,000	150,000	0.20
California Asset Management Program	4.01% - 4.46%	7/1/25 - 6/1/26	520,552	520,552	0.12
Asset backed securities	0.68% - 2.22%	9/16/26 - 10/15/26	729	728	1.29
Total investments in investment pool			<u>\$ 9,036,819</u>	<u>8,953,089</u>	2.29
Investments outside of Investment Pool					
San Mateo County					
Money market funds				53	*
First American Government Obligations Fund - D class				442	*
Subtotal				<u>495</u>	
San Mateo Joint Powers Financing Authority					
Hong Kong and Shanghai Banking Corporation - repurchase agreements				938	1.40
First American Government Obligations Fund - D class				48,707	*
Subtotal				<u>49,645</u>	
San Mateo County Employees' Retirement Association					
Commingled fixed income portfolio:					
Opportunistic Credit Funds ³				801,210	4.73
Separate account fixed income portfolio: ⁴					
Asset Back Securities				74,525	15.40
Collateralized Bonds				250	12.80
Commercial Mortgage Backed				39,258	22.10
Corporate Bonds				124,381	8.20
Government Agencies				9,938	10.10
Government Bonds				334,957	14.90
Government Mortgage Backed Securities				250,036	24.10
Government Commercial Mortgage Backed				11,767	26.20
Municipal/Provincial Bonds				4,110	12.70
Non-govt Backed Collateralized Mortgage Obligations				6,597	35.00
Subtotal				<u>855,819</u>	17.23

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COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Fair Value	Weighted Average Maturity (Years)		
Investments outside of Investment Pool (continued)				
Northern Institutional Liquid Assets Portfolio Cash Collateral Fund	\$ 147,228		**	
Foreign Exchange Contracts	(8,985)		**	
Equity securities:				
Foreign stocks	527,331		**	
U.S. common & preferred stock	140,453		**	
Commingled funds:				
Domestic equity	1,242,828		**	
International equity	615,770		**	
Public real asset	315,730		**	
Domestic equity	328,255		**	
International equity	87,596		**	
Real estate	520,022		**	
Liquidity	235,519		**	
Alternatives:				
Absolute return	369,121		**	
Private equity	560,636		**	
Private real asset	432,718		**	
Subtotal	5,514,222			
Total SamCERA's investments	7,171,251			
San Mateo County Library				
Local Agency Investment Fund	2,457	0.68		1
Health Plan of San Mateo (as of December 31, 2024)				
Local Agency Investment Fund	73,100	0.68		1
Total investments outside of investment pool	7,296,948			
Total investments	\$ 16,250,037			

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

** Not applicable or not available.

¹ WAM was computed using the average life from the Pooled Money Investment Account quarterly performance report as of June 30, 2025.

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

³ Category consists of seventeen opportunistic credit funds managed by 400 Capital, Angelo Gordon (three funds), Beach Point, Brigade Capital Management, Blackrock (two funds), Comvest, Diameter, Eaton Vance, GoldenTree, One Williams Street, PIMCO (two funds) and White Oak (two funds).

⁴ Category consists of four fixed income separate account managers: Fidelity Institutional Asset Management, National Investment Services of America (two funds), and DoubleLine.

⁵ The JPFA's investments are measured at individual maturity in years.

County Investment Pool

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy. At June 30, 2025, the investment pool had a weighted average maturity of 2.29 years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law and the County's investment policy limit the County's investments in commercial paper to the rating of "A1" or better by S&P Global, or "P1" or better by Moody's Ratings, and corporate bonds to the rating of "A" or higher by

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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both S&P Global and Moody's Ratings. No limits are placed on the U.S. government agency securities and U.S. Treasuries. The County's investment pool was unrated.

<u>Investment as of June 30, 2025</u>	<u>S&P Global Rating</u>	<u>% of Portfolio</u>
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	A1+	0.56%
Negotiable Certificates of Deposit	A1	2.73%
U.S. Government Securities		
U.S. Treasury Securities	AA+	30.43%
U.S. Instrumentalities	AAA	12.84%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	14.55%
Federal Home Loan Mortgage Corporation	AA+	7.25%
Federal Farm Credit Bank	AA+	6.07%
Federal National Mortgage Association	AA+	4.95%
Corporate Bonds		
Corporate Bonds	AAA	0.86%
Corporate Bonds	AA+	0.28%
Corporate Bonds	AA	0.76%
Corporate Bonds	AA-	1.27%
Corporate Bonds	A+	2.78%
Corporate Bonds	A	2.96%
Corporate Bonds	A-	2.17%
Corporate Bonds	BBB+	0.46%
Asset Backed Securities	AAA	0.01%
Municipal Bonds	AA+	0.08%
Money Market Funds	AAA	1.50%
CalTrust Liquidity Fund	AAA	1.68%
California Asset Management Program	AAA	5.81%
Total		<u>100.00%</u>

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

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, 2025, the investment pool has more than 5% of its total investments with the following issuer: 14.55% in Federal Home Loan Bank, 6.07% in Federal Farm Credit Bank, 7.25% in Federal Home Loan Mortgage Corporation,

COUNTY OF SAN MATEO
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5.81% in California Asset Management Program, and 5.52% in International Bank for Reconstruction and Development.

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

As of June 30, 2025, the State of California Pooled Money Investment Account (PMIA) balance was \$178.1 billion, of which 2.02% is in structured notes and medium-term asset backed securities, and 1.79% in short-term asset-backed commercial paper. The total amount invested by all public agencies in the State of California Local Agency Investment Fund (LAIF) was \$24.5 billion, while HPSM's investment in LAIF was \$73.1 million and San Mateo County Library's investment in LAIF was \$2.5 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 248 days as of June 30, 2025. The Local Investment Advisory Board, which consisted of five members designated by State statutes, has oversight responsibility for LAIF.

The County's investment pool invests in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its participants to invest certain proceeds of debt issues and surplus funds. CAMP is directed by a Board of Trustees that consists of the governing body, officers, or full-time employees of California public agencies. The County reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool shares. CAMP had a weighted average maturity of 41 days at June 30, 2025.

The County's investment pool invests in the Investment Trust of California (CalTrust). CalTrust is a program established by public agencies in California for the purpose of pooling and investing local agency funds including operating reserves and bond proceeds. CalTrust invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et seq. and 53635, et seq. Investment guidelines adopted by the Board of Trustees that supervises and administers the investment program of CalTrust. The County reports its investments in CalTrust at the fair value amounts provided by CalTrust, which is the same as the value of the pool shares. CalTrust had a weighted average maturity of 39 days and a weighted average life of 73 days.

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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County Investment Pool Condensed Financial Information

Below is the condensed statement of the investment pool as of June 30, 2025:

Statement of Net Position

Assets:	
Negotiable certificates of deposit	\$ 294,210
U.S. treasury notes	2,658,020
U.S. treasury bills	66,668
U.S. government agency securities	2,939,024
U.S. instrumentalities	1,149,541
Corporate bonds	1,033,322
Municipal bonds	6,715
Money market funds	134,309
CalTrust liquidity fund	150,000
California Asset Management Program	520,552
Asset backed securities	728
Total investments	8,953,089
Other assets	62,659
Pool deposits	157,216
Total assets	9,172,964
Liabilities:	
Unfunded checks and warrants	116,897
Other liabilities	14,613
Total liabilities	131,510
Net Position:	
Equity of internal pool participants	4,350,851
Equity of external pool participants	4,690,603
Total net position	\$ 9,041,454

Statement of Changes in Net Position

Net position at July 1, 2024	\$ 8,346,212
Net change in investments by pool participants	695,242
Net position at June 30, 2025	\$ 9,041,454

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

Participant units outstanding (one dollar par value)	\$ 8,941,633
Undistributed and unrealized loss	99,821
Net position at June 30, 2025	\$ 9,041,454

Participant net position at fair value price per share (\$9,041,454 divided by 8,941,633 units)	\$ 1.0112
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COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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(In Thousands)

JPFA's Investment Portfolio

All moneys held by the JPFA's trustee are invested in "permitted investments" as defined in the Trust Agreement.

Interest Rate Risk. The JPFA has not adopted a formal policy that limits investment maturity as a means of managing its exposure to declines in fair values arising from increasing interest rates. As of June 30, 2025, the JPFA's investment portfolio had a weighted average maturity of 0.9 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-G" or "AAm" by Standard & Poor's Corporation, 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, 2025, the JPFA's money market mutual fund was rated "AAAm" by Standard & Poor's, "Aaa-mf" by Moody's Investors Service, and "AAAmf" by Fitch. The repurchase agreement with the Hong Kong and Shanghai Banking Corporation was rated "A-" by Standard & Poor's, "A3" by Moody's Investors Service, and "A+" 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, 2025, the JPFA has \$0.9 million, or 1.1%, of its overall investments in repurchase agreements with the Hong Kong and Shanghai Banking Corporation.

SamCERA's Investment Portfolio

Investments. The Board of Retirement has exclusive control of SamCERA's investments. The County Employees Retirement Law of 1937 (the CERL – a component of the California Government Code) authorizes the Board of Retirement to invest, or delegate the authority to invest, the assets of SamCERA in any investment allowed by statutes and deemed prudent in the informed opinion of the Board of Retirement. SamCERA records investment transactions on the trade date. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent appraisal is conducted every quarter to determine the fair value of the real estate assets. Private equity, private credit, and private real asset partnerships are reported based on the fair value provided by the General Partner on a quarterly basis. The General Partner considers the financial conditions and operating results of the portfolio companies, the nature of the investments, marketability, and other relevant factors. Hedge funds and public real assets pool are reported based on the fair value provided by a third party administrator.

Investment Policy. The investment policy of SamCERA is strategized to reduce risk through a prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The Board of Retirement periodically reviews the asset allocation in response to changing market conditions that may affect forward-looking expected returns of asset classes. Investments are reported at fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Foreign Currency Transactions. Gains and losses resulting from foreign currency transactions during the year (including translation of international investments at fiscal year-end rates of exchanges) are recorded as investment income. Forward currency contracts are used by investment managers to control currency exposure and facilitate the settlement of international security purchase and sale transactions. These contracts are agreements to exchange different currencies at specified rates and settlement dates. Differences between the contract and market exchange rates at settlement result in gains or losses, which are included in net investment income. Risks may arise from the possible inability of counterparties to meet the terms of their contracts as well as from movements in exchange and interest rates.

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Securities Lending Activity. Securities lending transactions are short-term collateralized loans of SamCERA securities for the purpose of generating additional investment income. For each securities lending transaction, SamCERA receives either cash collateral or non-cash collateral. The underlying securities out on loan are reported on SamCERA's statements of plan net position as if the lending transaction had not occurred.

In accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, cash collateral held (or any security that can be sold or pledged without a borrower default) is separately reported on the statements of fiduciary net position among the current assets. A corresponding liability of an equal amount (the obligation to return the cash collateral) is reported simultaneously. Non-cash collateral held that cannot be sold or pledged without a borrower default is not reported on the statement of fiduciary net position nor is there a corresponding liability reported on this statement.

Custodial Credit Risk - Deposits. SamCERA does not have a general policy on custodial credit risk for deposits. SamCERA maintains cash deposits to support its investment activities and operational needs. At June 30, 2025, \$130.0 million of cash was held in a pooled short-term investment fund with the Northern Trust Corporation and \$6.4 million in the County's investment pool. Cash held by investment managers at year end amounted to \$40.1 million, which is swept daily into a pooled short-term investment fund. The deposits are not exposed to custodial credit risk as they are eligible and covered by insurance in accordance with applicable law and Federal Deposit Insurance Corporation rules and regulations. However, \$0.3 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 seventeen external investment pools and four fixed income portfolios containing debt securities. SamCERA does not have a formal policy that limits investment duration as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. SamCERA's investment policy seeks to maintain a diversified portfolio of fixed income instruments to obtain the highest total return for the fund at an acceptable level of risk within the asset class. To control credit risk, credit quality guidelines have been established for separately managed accounts. The table below summarizes the credit breakdown of SamCERA's investments in bonds.

Credit Risk	Separately Managed Accounts	Commingled Management
AAA	1.7%	1.8%
AA	1.5%	4.1%
A	6.1%	2.9%
BBB	9.0%	16.5%
B	0.3%	18.9%
Not rated	12.1%	55.8%
U.S. Government Guaranteed	69.3%	0.0%
	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, 2025, SamCERA had no investments that were exposed to custodial credit risk.

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Concentration of Credit Risk. SamCERA’s investment policy has no general policy on the concentration of credit risk. As of June 30, 2025, SamCERA does not have investments in a single issuer with five percent or more of SamCERA’s fiduciary net position.

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

The table below indicates the magnitude of risk for each foreign currency denominated in U.S. dollars as of June 30, 2025. Foreign investments held within commingled fund vehicles are excluded from the table below.

Foreign Currency	Common Stock	Partnerships	Foreign Currency	Variation Margin	Pending FX Transactions	Total
Australian Dollar	\$ 6,269	\$ -	\$ -	\$ -	\$ (2,974)	\$ 3,295
Brazilian Real	5,007	-	-	-	-	5,007
Canadian Dollar	14,313	-	14	74	(9,629)	4,772
Swiss Franc	30,540	-	-	-	-	30,540
HK Offshore Chinese Yuan Renminbi	7,872	-	-	-	-	7,872
Danish Krone	4,360	-	-	-	-	4,360
Euro	137,319	17,027	-	-	-	154,346
British Pound Sterling	97,792	-	126	-	-	97,918
Hong Kong Dollar	33,833	-	-	-	-	33,833
Indian Rupee	5,340	-	-	-	-	5,340
Japanese Yen	87,963	-	151	-	(30,880)	57,234
South Korea Won	3,809	-	-	-	-	3,809
Mexican Peso	2,666	-	-	-	-	2,666
Swedish Krona	23,380	-	-	-	-	23,380
Singapore Dollar	16,028	-	-	-	-	16,028
New Taiwan Dollar	21,250	-	-	-	-	\$ 21,250
Total	\$ 497,741	\$ 17,027	\$ 291	\$ 74	\$ (43,483)	\$ 471,650

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, 2025, derivatives held an aggregate notional amount of \$202.1 million and a fair value of (\$8.5) million are reported in the statement of fiduciary net position as part of the cash and investments (outside County investment pool and investments – liquidity on County’s financial statements). Changes in fair value during FY 2025 are reported in the statement of changes in fiduciary net position as a component of investment income. The derivatives held are investment derivatives and are not hedges for accounting purposes.

Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occur on the following business day through variation margins. The fair value of options, futures, and warrants is determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps, is determined by an external pricing service using various proprietary methods based upon the type of derivative instrument.

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

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

<u>Investment Derivatives as of June 30, 2025</u>	<u>Notional Value</u>	<u>Fair Value (Level 2)</u>	<u>Change in Fair Value</u>
Interest rate contract - short	\$ (8,695)	\$ (5)	\$ (121)
Interest rate contract - long	171,134	352	540
Foreign exchange contracts - long	(6,185)	(8,967)	(16,476)
Equity contracts - long	45,850	107	152
Total	<u>\$ 202,104</u>	<u>\$ (8,513)</u>	<u>\$ (15,905)</u>

Interest Rate Risk - Derivatives. SamCERA’s investments in interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. An interest rate swap is an example whose fair value is highly sensitive to interest rate changes.

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, 2025, SamCERA’s derivatives were not subject to custodial credit risk. However, such derivatives were 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, 2025, 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, 2025, the fair value of securities on loan reported and the total collateral held amounted to \$166.1 million and \$169.9 million (with \$147.2 million in cash collateral and \$22.7 million in non-cash collateral), respectively.

Securities Lending Collateral Credit Risk. All of the cash collateral received for securities lending is invested in the Northern Trust Collective SL Core Short Term Investment Fund (the Fund), which is not rated by credit rating agencies. The Fund is an investment vehicle for cash reserves that seeks to offer a competitive rate of return through a portfolio of high-grade, short-term, money market instruments. Admissions and withdrawals may be made at a constant \$1 net asset value. The fund invests primarily in high quality securities. Within quality, maturity, and sector diversification guidelines, the fund invests in those securities with the most attractive yields.

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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, 2025, the Fund had an interest sensitivity of 15 days.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

COUNTY OF SAN MATEO
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The County's cash equivalents and investments by fair value level as of June 30, 2025, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Negotiable certificates of deposit	\$ 294,210	\$ -	\$ 294,210
U.S. treasury notes	2,658,020	-	2,658,020
U.S. treasury bills	66,668	-	66,668
U.S. government agency securities	2,948,962	-	2,948,962
U.S. instrumentalities	1,149,541	-	1,149,541
Corporate bonds	1,328,503	-	1,328,503
Government bonds	399,676	-	399,676
Municipal bonds	10,825	-	10,825
Money market funds	134,362	134,362	-
Repurchase agreements	938	-	938
Asset backed securities	75,253	-	75,253
Foreign exchange contracts	(8,985)	-	(8,985)
Mutual funds	49,149	-	49,149
Collateral from securities lending	147,228	147,228	-
Collateral bonds	250	-	250
Collateral mortgage obligations	6,597	-	6,597
Commercial mortgage-backed	39,258	-	39,258
Government commercial mortgage-backed	11,767	-	11,767
Government mortgage-backed securities	250,036	-	250,036
Equity securities:			
Foreign stocks	527,331	527,331	-
U.S. common & preferred stock	140,453	140,453	-
Commingled funds:			
International bond	69,878	-	69,878
Domestic equity	1,242,828	-	1,242,828
International equity	615,770	-	615,770
Public real asset	315,730	-	315,730
Total investments subject to fair value hierarchy	12,474,248	\$ 949,374	\$ 11,524,874
Investments not subject to fair value hierarchy:			
Local Agency Investment Fund	75,557		
CalTrust Liquidity Fund	150,000		
California Asset Management Program	520,552		
	746,109		
Investments measured at the net asset value (NAV)			
Domestic bond funds	731,332		
Domestic equity funds	328,255		
International equity funds	87,596		
Real estate funds	520,022		
Absolute return	369,121		
Private equity funds	560,636		
Private real asset funds	432,718		
Total investments measured at NAV	3,029,680		
Total investments	\$ 16,250,037		

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<u>Investments measured at NAV</u>	<u>6/30/2025</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Opportunistic credit funds ⁽¹⁾	\$ 731,332	\$ 121,795	Not eligible	Not applicable
Domestic equity funds ⁽¹⁾	328,255	-	Monthly	10 days
International equity funds ⁽¹⁾	87,596	-	Monthly	10 days
Real estate funds ⁽²⁾	520,022	57,379	Quarterly, not eligible	45 days, not applicable
Absolute return ⁽³⁾	369,121	-	Monthly	30 days
Private equity funds ⁽⁴⁾	560,636	295,753	Not eligible	Not applicable
Private real asset funds ⁽⁴⁾	432,718	116,069	Not eligible	Not applicable
Total investments measured at NAV	<u>\$ 3,029,680</u>	<u>\$ 590,996</u>		

⁽¹⁾ *Bond and Equity Funds.* This type includes seventeen opportunistic credit funds, one domestic equity fund, and one international equity fund that is considered commingled in nature. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

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

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

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

COUNTY OF SAN MATEO
Notes to the Basic Financial Statements
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NOTE 5 – RECEIVABLES

As of June 30, 2025, 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 \$343.3 million, of which about \$282.2 million is not expected to be collected within the next twelve months.

<u>Governmental Activities</u>	General Fund	JPFA	Nonmajor Governmental Funds	Internal Service Funds	Total
Accounts	\$ 16,581	\$ -	\$ 826	\$ 743	\$ 18,150
Interest	59,541	516	3,883	881	64,821
Taxes	41,924	-	1,568	-	43,492
Mortgages	278,706	-	-	-	278,706
Other	4,364	-	-	-	4,364
Gross receivables	401,116	516	6,277	1,624	409,533
Less: allowances for uncollectibles	(57,790)	-	(1,275)	-	(59,065)
Total receivables, net	<u>\$ 343,326</u>	<u>\$ 516</u>	<u>\$ 5,002</u>	<u>\$ 1,624</u>	<u>\$ 350,468</u>

<u>Business-type Activities</u>	Medical Center	Housing Authority	Nonmajor Enterprise Funds	Total
Accounts	\$ 82,666	\$ 15	\$ 75	\$ 82,756
Grant	8	-	-	8
Interest	-	1,000	58	1,058
Other	5,805	-	-	5,805
Gross receivables	88,479	1,015	133	89,627
Less: allowances for uncollectibles	(60,243)	-	(42)	(60,285)
Total receivables, net	<u>\$ 28,236</u>	<u>\$ 1,015</u>	<u>\$ 91</u>	<u>\$ 29,342</u>

Housing Authority of the County of San Mateo

As of June 30, 2025, the Housing Authority has a total notes receivable of \$40.4 million of which is not expected to be collected within the next twelve months.

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The governmental fund financial statements report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues that are not available when they are not collectible within the current period or soon enough thereafter to pay for liabilities of the current period. The County reports a liability for unearned revenues in connection with resources that have been received, but not yet earned. As of June 30, 2025, the various components of unavailable revenue and unearned revenues reported were as follows:

<u>Governmental Activities</u>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Property taxes	\$ 2,362	\$ 21,073	\$ 23,435
Intergovernmental revenues	97,035	167,078	264,113
Mortgage and related interest	277,728	-	277,728
Excess ERAF	142,002	-	142,002
VLF Shortfall	116,209	-	116,209
SB 90 mandated costs	877	-	877
Others	4,745	-	4,745
	<u>640,958</u>	<u>188,151</u>	<u>829,109</u>
Other Governmental Funds			
Property taxes	89	788	877
Intergovernmental revenues	2,726	35	2,761
Excess ERAF	974	-	974
Capital Projects Funds			
Intergovernmental revenues	31	-	31
	<u>3,820</u>	<u>823</u>	<u>4,643</u>
Total Governmental Activities	<u>\$ 644,778</u>	<u>\$ 188,974</u>	<u>\$ 833,752</u>
Business-type Activities			
San Mateo Medical Center		\$ 1,329	\$ 1,329
Housing Authority		303	303
Other Enterprise Funds		40	40
Total Business-type Activities		<u>\$ 1,672</u>	<u>\$ 1,672</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, 2025:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,717
	Medical Center	52
	Internal Service Funds	<u>275</u>
		<u>2,044</u>
Other Governmental Funds	General Fund	1,505
	Medical Center	<u>543</u>
		<u>2,048</u>
Medical Center	General Fund	<u>8</u>
Other Enterprise Funds	General Fund	<u>113</u>
Internal Service Funds	General Fund	742
	Internal Service Funds	<u>77</u>
		<u>819</u>
	Total	<u><u>\$ 5,032</u></u>

Advances to/from other funds

Advances from the General Fund are comprised of the following as of June 30, 2025:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,650
	Medical Center	944
	Internal Service Funds	<u>448</u>
	Total	<u><u>\$ 7,042</u></u>

- In February 2014, \$6.2 million was advanced to Crystal Springs Sanitation District to construct the Crystal Springs/El Cerrito Trunk Sewer to improve performance and capacity of sewer facilities. During the fiscal year, Crystal Springs Sanitation District paid \$0.1 million to the County General Fund, and the outstanding balance will be repaid over a twenty-year period with 2.10% interest from revenues of the Crystal Springs Sanitation District. In October 2018, \$0.1 million, of the authorized \$0.2 million, was advanced to Belmont Highway Lighting District to replace lighting fixtures. Belmont Highway Lighting District will repay the amount no later than thirty years with 1.925% fixed interest rate. In June 2020, \$0.3 million, of the authorized \$0.4 million, was advanced to the Road Fund to purchase equipment. Road Fund will repay the amount no later than 10 years with 1.86% fixed interest rate. In May 2023, \$0.4 million was advanced to the Burlingame Hills Sewer Maintenance District (District) to pay a portion of the cost for rehabilitation project. District will repay the amount no later than 15 years with interest rate of 1.372%.
- \$0.9 million of General Fund advances to the Medical Center represents a 10% reserve on Behavioral Health programs operated by the Medical Center. This reserve will be returned by the Medical Center to the Behavioral Health department when the P14 audit by the California Department of Health Care Services is completed. The P14 audit is not scheduled to be completed over the next several years.
- \$0.4 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 \$1.0 million payment against advances.

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NOTE 7 – INTERFUND TRANSFERS

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

(a) Between Governmental and Business-type Activities:

Transfer From	Transfer To	Amount	Purpose
General Fund	Medical Center	\$ 63,622	Provide subsidy to support indigent healthcare as budgeted.
Medical Center	Other Governmental Funds	11,498	Transfer funds to cover debt service payments.
	Total	<u>\$ 75,120</u>	

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 128,192	Provide funds to finance County capital projects.
	Other Governmental Funds	28,882	Transfer funds to cover debt service payments.
	Other Governmental Funds	3,702	Contribute funds to support in-home supportive services.
	Other Governmental Funds	300	Transfer funds to San Mateo County Fire program.
	Other Governmental Funds	269	Transfer funds for stormwater program.
	Subtotal	<u>161,345</u>	
General Fund	JPFA	<u>74,662</u>	To cover defeasance of 2016 Bond
Other Governmental Funds	General Fund	245	Transfer funds to cover overhead surcharges.
	General Fund	1,200	Contribute funds to support Commute Alternatives Program costs.
	General Fund	13,102	Transfer funds to support San Mateo County Fire program.
	General Fund	8	Transfer funds to repay loan payment
	General Fund	72,944	Provide funds to finance County capital projects.
	Subtotal	<u>87,499</u>	
Other Governmental Funds	Other Governmental Funds	8,400	Transfer funds to finance capital improvements.
	Other Governmental Funds	1,154	Transfer funds to cover debt service payments.
	Subtotal	<u>9,554</u>	
Other Governmental Funds	JPFA	<u>47,717</u>	Transfer funds to cover debt service payments.
Internal Service Funds	General Fund	16	Provide funds to support Sheriff's driver's training program.
	General Fund	50	Transfer funds to repay loan payment
	Subtotal	<u>66</u>	
Internal Service Funds	Other Governmental Funds	<u>27</u>	Transfer funds to finance capital projects.
	Total	<u>\$ 380,870</u>	

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

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NOTE 8 – CAPITAL ASSETS / LEASES / SUBSCRIPTIONS

Capital asset activities for the fiscal year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2025
Governmental activities					
<i>Capital assets, not being depreciated:</i>					
Land and easements	\$ 141,024	\$ 16,345	\$ -	\$ -	\$ 157,369
Infrastructure - maintained road subsystem	100,799	-	-	-	100,799
Construction in progress	257,997	149,320	-	(226,946)	180,371
Total capital assets, not being depreciated	<u>499,820</u>	<u>165,665</u>	<u>-</u>	<u>(226,946)</u>	<u>438,539</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	82,347	-	-	3,019	85,366
Structures and improvements	1,608,876	29,264	-	222,333	1,860,473
Equipment	127,803	19,923	(1,766)	-	145,960
Software	32,551	-	-	1,594	34,145
Total capital assets, being depreciated	<u>1,851,577</u>	<u>49,187</u>	<u>(1,766)</u>	<u>226,946</u>	<u>2,125,944</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(36,826)	(1,944)	-	-	(38,770)
Structures and improvements	(353,582)	(38,534)	-	-	(392,116)
Equipment	(104,013)	(9,944)	1,721	-	(112,236)
Software	(27,698)	(3,526)	-	-	(31,224)
Total accumulated depreciation	<u>(522,119)</u>	<u>(53,948)</u>	<u>1,721</u>	<u>-</u>	<u>(574,346)</u>
Total capital assets, being depreciated, net	<u>1,329,458</u>	<u>(4,761)</u>	<u>(45)</u>	<u>226,946</u>	<u>1,551,598</u>
<i>Lease assets, being amortized:</i>					
Buildings	81,495	5,302	(30)	-	86,767
Less accumulated amortization	(31,642)	(15,115)	17	-	(46,740)
Total lease assets, being amortized, net	<u>49,853</u>	<u>(9,813)</u>	<u>(13)</u>	<u>-</u>	<u>40,027</u>
<i>Subscription assets, being amortized:</i>					
Subscription	22,625	3,323	(2,286)	-	23,662
Less accumulated amortization	(10,791)	(8,223)	705	-	(18,309)
Total subscription assets, being amortized, net	<u>11,834</u>	<u>(4,900)</u>	<u>(1,581)</u>	<u>-</u>	<u>5,353</u>
Total capital assets, being depreciated and amortized, net	<u>1,391,145</u>	<u>(19,474)</u>	<u>(1,639)</u>	<u>226,946</u>	<u>1,596,978</u>
Governmental activities capital assets, net	<u>\$ 1,890,965</u>	<u>\$ 146,191</u>	<u>\$ (1,639)</u>	<u>\$ -</u>	<u>\$ 2,035,517</u>

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	Balance July 1, 2024	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2025
Business-type activities					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 14,989	\$ -	\$ -	\$ -	\$ 14,989
Construction in progress	13,838	10,766	-	(3,843)	20,761
Total capital assets, not being depreciated	<u>28,827</u>	<u>10,766</u>	<u>-</u>	<u>(3,843)</u>	<u>35,750</u>
<i>Capital assets, being depreciated:</i>					
Structures and improvements	108,182	5	-	1,353	109,540
Equipment	29,695	81	(245)	2,154	31,685
Software	21,640	-	-	336	21,976
Total capital assets, being depreciated	<u>159,517</u>	<u>86</u>	<u>(245)</u>	<u>3,843</u>	<u>163,201</u>
<i>Less accumulated depreciation for:</i>					
Structures and improvements	(52,323)	(2,152)	-	-	(54,475)
Equipment	(17,488)	(2,490)	197	-	(19,781)
Software	(18,559)	(1,061)	-	-	(19,620)
Total accumulated depreciation	<u>(88,370)</u>	<u>(5,703)</u>	<u>197</u>	<u>-</u>	<u>(93,876)</u>
Total capital assets, being depreciated, net	<u>71,147</u>	<u>(5,617)</u>	<u>(48)</u>	<u>3,843</u>	<u>69,325</u>
<i>Lease assets, being amortized:</i>					
Buildings	36,135	1,832	-	-	37,967
Equipment	37	-	-	-	37
Less accumulated amortization	(7,495)	(2,685)	-	-	(10,180)
Total lease assets, being amortized, net	<u>28,677</u>	<u>(853)</u>	<u>-</u>	<u>-</u>	<u>27,824</u>
<i>Subscription assets, being amortized:</i>					
Subscription	3,234	2,924	-	-	6,158
Less accumulated amortization	(1,515)	(1,481)	-	-	(2,996)
Total subscription assets, being amortized, net	<u>1,719</u>	<u>1,443</u>	<u>-</u>	<u>-</u>	<u>3,162</u>
Total capital assets, being depreciated and amortized, net	<u>101,543</u>	<u>(5,027)</u>	<u>(48)</u>	<u>3,843</u>	<u>100,311</u>
Business-type activities capital assets, net	<u>\$ 130,370</u>	<u>\$ 5,739</u>	<u>\$ (48)</u>	<u>\$ -</u>	<u>\$ 136,061</u>

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Depreciation

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

<u>Governmental Activities</u>	
General government	\$ 18,970
Public protection	14,903
Public ways and facilities	1,905
Health and sanitation	12,377
Public assistance	798
Recreation	2,096
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets.	2,899
Total depreciation - governmental activities	<u>\$ 53,948</u>
<u>Business-type Activities</u>	
Medical Center	\$ 4,137
Housing Authority	379
Airports	872
Coyote Point Marina	315
Total depreciation - business-type activities	<u>\$ 5,703</u>

Amortization

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

<u>Governmental Activities</u>	
General government	\$ 5,503
Public protection	3,360
Health and sanitation	7,184
Public assistance	7,289
Recreation	2
Total amortization - governmental activities	<u>\$ 23,338</u>
<u>Business-type Activities</u>	
Medical Center	\$ 3,555
Housing Authority	611
Total amortization - business-type activities	<u>\$ 4,166</u>

Capital Project Commitments

The County had one major capital project underway in FY 2024-25 as follows:

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

The San Mateo County Health System Campus consists of the San Mateo Medical Center and Health Services departments. The San Mateo Health System Campus Upgrade Project is a complex project comprised of: (1) demolition of the outdated Health Services Building and the 1954 Administration Building; (2) renovation of the ground floor of the Nursing Tower and the Central Plant to accommodate essential Office of Statewide Health Planning Development (OSHPD) functions; and (3) construction of a new 86,550 square feet non-OSHPD administration building to support hospital functions. Consistent with the County Municipal Green Building Policy, upgrades and construction will be designed to operate at zero net energy (ZNE) and to achieve Leadership in Energy

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and Environmental Design (LEED) certification. ZNE buildings are designed on a source energy basis, the actual annual consumed energy will be less than or equal to the onsite renewable generated energy. This project will occur in phases, with the final project completion estimated for November 2025. The total project cost is \$223 million and estimated remaining project cost is \$40.4 million.

Health Plan of San Mateo

Capital asset activities of the Health Plan of San Mateo for the fiscal year ended June 30, 2025, are as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Health Plan of San Mateo				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 15,668	\$ -	\$ -	\$ 15,668
Construction in progress	-	415	-	415
Total capital assets, not being depreciated	<u>15,668</u>	<u>415</u>	<u>-</u>	<u>16,083</u>
<i>Capital assets, being depreciated:</i>				
Building	31,810	-	-	31,810
Building improvements	23,239	223	-	23,462
Furniture and equipment	14,247	324	791	15,362
Total capital assets, being depreciated	<u>69,296</u>	<u>547</u>	<u>791</u>	<u>70,634</u>
<i>Less accumulated depreciation</i>	<u>(25,600)</u>	<u>(1,596)</u>	<u>(791)</u>	<u>(27,987)</u>
Total capital assets, being depreciated, net	<u>43,696</u>	<u>(1,049)</u>	<u>-</u>	<u>42,647</u>
<i>Subscription assets, being amortized:</i>				
Subscription	7,714	11,022	(2,472)	16,264
Less accumulated amortization	<u>(4,020)</u>	<u>(2,946)</u>	<u>2,472</u>	<u>(4,494)</u>
Total subscription assets, being amortized, net	<u>3,694</u>	<u>8,076</u>	<u>-</u>	<u>11,770</u>
Total capital assets, being depreciated and amortized, net	<u>47,390</u>	<u>7,027</u>	<u>-</u>	<u>54,417</u>
Health Plan of San Mateo capital assets, net	<u>\$ 63,058</u>	<u>\$ 7,027</u>	<u>\$ -</u>	<u>\$ 70,500</u>

First 5 San Mateo County

Capital asset activities of the First 5 San Mateo County for the fiscal year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
First 5 San Mateo County				
<i>Lease assets, being amortized:</i>				
Buildings	\$ 369	\$ -	\$ -	\$ 369
Less accumulated amortization	<u>(259)</u>	<u>(82)</u>	<u>-</u>	<u>(341)</u>
Total lease assets, being amortized, net	<u>\$ 110</u>	<u>\$ (82)</u>	<u>\$ -</u>	<u>\$ 28</u>

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NOTE 9 – LONG-TERM LIABILITIES

The County’s long-term liabilities as of June 30, 2025, are as follows:

<u>Type of indebtedness (purpose)</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2025</u>
Governmental Activities					
Lease Revenue Bonds:					
<u>1993 Issue - Satellite Clinic</u>					
Purpose: To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.					
Serial Capital Appreciation Bonds	9/1/25 - 9/1/26	5.95% - 6%	\$188 - \$192	\$ 2,085	\$ 380
Accreted interest on capital appreciation bonds				8,941	2,010
1993 Issue - Satellite Clinic				<u>11,026</u>	<u>2,390</u>
<u>2018 Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of capital improvement projects of the Medical Center Upgrade and County Office Building No. 3.					
(ii) pay capitalized interest through September 15, 2022, (iii) purchase a municipal bond insurance policy, (iv) purchase a municipal bond debt service reserve insurance policy, and (v) pay costs of issuance.					
Serial Bonds	7/15/25 - 7/15/38	5%	\$3,720 - \$6,890	64,560	55,235
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>208,315</u>
<u>2019 Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/25 - 7/15/26	5%	\$7,310 - \$8,290	45,170	15,600
<u>2021A Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) finance the reconstruction and equipping of the Cordilleras Mental Health Center, (ii) pay capitalized interest through June 15, 2024, and (iii) pay costs of issuance.					
Serial Bonds	6/15/27 - 6/15/41	3% - 5%	\$750 - \$5,405	\$ 58,295	\$ 58,295
Term Bonds	6/15/42 - 6/15/46	3%	\$5,620 - \$6,325	29,845	29,845
Term Bonds	6/15/47 - 6/15/55	2.50%	\$6,515 - \$7,940	64,865	64,865
				<u>153,005</u>	<u>153,005</u>
<u>2023A Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2013 Bonds, (ii) pay costs of issuance.					
Serial Bonds	7/15/25 - 7/15/32	5%	\$110 - \$9,650	26,345	26,240
<u>2024A Issue</u>					
Purpose: To provide funds, together with other available moneys, to (i) refund the outstanding 2014 Bonds, (ii) pay costs of issuance.					
Serial Bonds	6/15/26 - 6/15/33	5%	\$4,190 - \$7,645	53,440	45,795
Serial Bonds	6/15/34 - 6/15/37	4%	\$490 - \$3,395	7,905	7,905
				<u>61,345</u>	<u>53,700</u>
Total governmental activities				<u>\$ 514,531</u>	<u>\$ 459,250</u>

(Continued)

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Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2025
Business-type Activities					
Notes Payable:					
Coyote Point Marina					
Department of Boating and Waterways	8/1/25 - 8/1/29	4.5%	\$14 - \$50	\$ 2,314	\$ 200
Dock 29 loan	8/1/25 - 8/1/45	4.5%	\$44 - \$114	1,919	1,582
Housing Authority					
California Housing Finance Agency	5/20/57	0.00%	\$1 - \$28	49	29
Total business-type activities				<u>\$ 4,282</u>	<u>\$ 1,811</u>

The table below summarizes changes in the County's long-term liabilities for the fiscal year ended June 30, 2025.

	(Restated) Balance July 1, 2024	Additions/ Accretions	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Lease revenue bonds	\$ 554,571	\$ -	\$ (97,331)	\$ 457,240	\$ 19,542
Accreted interest on capital appreciation bonds	2,836	183	(1,009)	2,010	1,063
Add: unamortized premium	50,819	-	(12,069)	38,750	2,710
Lease revenue bonds, net	<u>608,226</u>	<u>183</u>	<u>(110,409)</u>	<u>498,000</u>	<u>23,315</u>
Leases payable	53,738	5,302	(15,225)	43,815	10,184
Subscriptions payable	11,054	3,323	(7,135)	7,242	4,801
Other long-term obligations	3,627	-	(172)	3,455	175
Estimated claims	63,447	32,149	(32,379)	63,217	26,192
Compensated absences*	102,129	65,856	(57,122)	110,863	58,908
Total Governmental Activities	<u>\$ 842,221</u>	<u>\$ 106,813</u>	<u>\$ (222,442)</u>	<u>\$ 726,592</u>	<u>\$ 123,575</u>
Business-type Activities:					
San Mateo Medical Center					
Leases payable	\$ 31,132	\$ -	\$ (1,498)	\$ 29,634	\$ 1,409
Subscriptions payable	1,670	2,924	(1,460)	3,134	1,353
Compensated absences*	20,802	16,638	(14,500)	22,940	16,105
Other long-term obligations	890	-	-	890	-
	<u>54,494</u>	<u>19,562</u>	<u>(17,458)</u>	<u>56,598</u>	<u>18,867</u>
Housing Authority					
Notes payable	30	-	(1)	29	1
Compensated absences	671	743	(649)	765	509
Leases payable	-	1,832	(563)	1,269	617
Other long-term obligations	1,503	397	(157)	1,743	-
	<u>2,204</u>	<u>2,972</u>	<u>(1,370)</u>	<u>3,806</u>	<u>1,127</u>
Other Enterprise Funds					
Notes payable	1,867	-	(85)	1,782	90
Compensated absences*	369	133	(204)	298	195
	<u>2,236</u>	<u>133</u>	<u>(289)</u>	<u>2,080</u>	<u>285</u>
Total Business-type Activities	<u>\$ 58,932</u>	<u>\$ 22,667</u>	<u>\$ (19,116)</u>	<u>\$ 62,483</u>	<u>\$ 20,279</u>

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	(Restated) Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Component Units:					
Health Plan of San Mateo					
Subscriptions payable	\$ 3,360	\$ 10,792	\$ (5,202)	\$ 8,950	\$ 4,379
First 5 San Mateo County					
Leases payable	\$ 125	\$ -	\$ (94)	\$ 31	\$ 31
Compensated absences*	391	60	-	451	166
Total First 5 San Mateo County	\$ 516	\$ 60	\$ (94)	\$ 482	\$ 197

* Balance at July 1, 2024 was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. See impact at Note 2G.

Resources used to finance long-term liabilities of governmental and business-type activities are as follows:

- The *lease revenue bonds* are payable by a pledge of revenues from the installment payments payable by the County, pursuant to individual installment agreements between the JPFA and the County for the use of equipment and facilities acquired or constructed by the JPFA. Under California law, the County cannot make installment payments until the County has constructive use or occupancy of the property being financed. Once construction is completed, the installment agreements act like direct financing with installment payments equal to debt service payments. Total debt service requirements remaining on the lease revenue bonds is \$717.2 million payable through June 15, 2055. For the current year, debt service expenditures for principal and interest totaled \$23.6 million and \$23.1 million, respectively.
- *Notes payable* under business-type activities are funded separately by respective enterprise funds.
- *Other long-term obligations* are financed by the General Fund, including the Los Trancos County Water District, and the State Water Resources Control Board, and enterprise funds (Medical Center and Housing Authority).
- *Estimated claims* are liquidated by charges for services collected through individual internal service funds and reserves of the Housing Authority.
- *Compensated absences* are financed by governmental funds (General Fund and individual special revenue funds) and enterprise funds (Medical Center, Housing Authority, Airports, Coyote Point Marina, Fleet, and Tower Road Construction) that are responsible for the charges.
- *Net pension liability* is liquidated primarily from the General Fund, with the remaining amounts from enterprise funds (Medical Center, Housing Authority, Airports, and Coyote Point Marina), and internal service funds that are responsible for the charges.
- *Leases/subscriptions payable* are recorded based on lease agreements as the County is a lessee for the acquisition and use of buildings, and subscription. The building leases are utilizing an interest rate of 2.5%, subscription contracts are utilizing an interest rate of 3.97%. Total lease payments expected to be paid for governmental and enterprise funds is \$97.0 million payable through July 2044, and \$31 thousand payable through October 2025 for First 5. For the current year, lease principal and interest payments for governmental and enterprise funds totaled \$23.6 million and \$2.6 million, respectively, and \$93 thousand and \$2 thousand, respectively for First 5.

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Annual debt service requirements for the governmental activities as of June 30, 2025, are summarized as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Lease Revenue Bonds		
	Interest		
	Principal	Accretion	Interest
2026	\$ 19,542	\$ 1,063	\$ 18,842
2027	19,043	1,118	17,894
2028	21,575	-	16,891
2029	16,715	-	15,943
2030	17,395	-	15,100
2031-2035	73,390	-	63,471
2036-2040	58,615	-	48,940
2041-2045	70,880	-	35,139
2046-2050	85,545	-	20,400
2051-2055	74,540	-	5,190
Total requirements	457,240	2,181	257,810
Less: unaccreted interest	-	(171)	-
Total	<u>\$ 457,240</u>	<u>\$ 2,010</u>	<u>\$ 257,810</u>

Lease revenue bonds are secured by revenues from the installment payments payable by the County. Events of default include nonpayment of interest on and the principal of the outstanding bonds when due and payable, the JPFA filing for bankruptcy, and the failure to observe any covenant or provision of bond indentures for a period of 30 days, with the exception of the 2016 Refunding Lease Revenue Bonds and 2021A Lease Revenue Bonds which is for a period of 60 days. In the event of default, the trustee, U.S. Bank National Association, may, upon written request of a majority of bondholders in aggregate principal amount and accreted value of the outstanding bonds, or at the direction of the bond insurer, declare the principal and accreted value of and the interest on all outstanding bonds to be due and payable immediately.

Annual lease and subscription payments for the governmental activities, business-type activities, and component units as of June 30, 2025, are summarized as follows:

Governmental Activities			Business-type Activities		
Fiscal Year			Fiscal Year		
Ending June 30,	Principal	Interest	Ending June 30,	Principal	Interest
2026	\$ 14,985	\$ 1,369	2026	\$ 3,379	\$ 816
2027	10,169	938	2027	1,863	746
2028	6,913	658	2028	2,056	692
2029	6,692	441	2029	1,578	647
2030	5,964	264	2030	1,219	611
2031-2035	5,538	294	2031-2035	7,200	2,563
2036-2040	374	113	2036-2040	9,811	1,507
2041-2045	422	32	2041-2045	6,931	249
Total	<u>\$ 51,057</u>	<u>\$ 4,109</u>	Total	<u>\$ 34,037</u>	<u>\$ 7,831</u>

Component Units

First 5 San Mateo County			Health Plan of San Mateo		
Fiscal Year			Year Ending		
Ending June 30,	Principal	Interest	December 30,	Principal	Interest
2026	\$ 31	\$ -	2025	\$ 4,379	\$ 231
Total	<u>\$ 31</u>	<u>\$ -</u>	2026	1,645	151
			2027	1,723	95
			2028	1,203	43
			Total	<u>\$ 8,950</u>	<u>\$ 520</u>

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Annual debt service requirements for the business-type activities notes payable as of June 30, 2025, 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,	
2026	\$ 90	\$ 83	2026	\$ 1
2027	94	79	2027	-
2028	98	75	2028	-
2029	102	71	2029	-
2030	69	66	2030	-
2031-2035	318	278	2031-2035	-
2036-2040	398	198	2036-2040	-
2041-2045	499	97	2041-2045	-
2046	114	5	2046-2050	-
Total requirements *	<u>\$ 1,782</u>	<u>\$ 952</u>	2051-2055	-
			2056-2057	28
			Total	<u>\$ 29</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, 2025, the total principal due to the State is \$1,582.

Defeasance of 2016 Series A Lease Revenue Bonds

In March 2025, the JPFA authorized the defeasance of the 2016 Series A Lease Revenue Bonds (the “2016 Bonds”) with outstanding principal balance of \$73.7 million in order to reduce long-term liabilities and generate savings. The available moneys paid by the County’s General Fund were deposited into an irrevocable escrow account to redeem the remaining outstanding 2016 Bonds on July 15, 2026. The defeasance resulted in an accounting loss of \$33 thousand. At June 30, 2025, the outstanding defeased 2016 Bonds was \$73.7 million.

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 \$178.0 million for the fiscal year ended June 30, 2025.

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NOTE 10 – NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related outstanding debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, including debt related deferred inflows and outflows of resources, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
 - Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.
 - A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. As of June 30, 2025 restricted net position for governmental activities was \$485.6 million as reported on the government-wide statement of net position, and approximately \$103.5 million of which was restricted by enabling legislation. Restricted net position for the Housing Authority (business-type activities) of \$1.5 million included the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. These funds are restricted by HUD as to use and must be approved before expending.
- *Unrestricted Net Position* represents net position of the County that is not restricted for any project or purpose.

NOTE 11 – FUND BALANCES

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

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	General Fund	Joint Powers Financing Authority	Other Governmental Funds
Nonspendable:			
Inventories	\$ 83	\$ -	\$ 315
Prepaid items	31,722	256	113
Long-term interfund advances	7,042	-	-
Long-term receivables	9,544	-	-
Total nonspendable	<u>48,391</u>	<u>256</u>	<u>428</u>
Restricted:			
American rescue plan act funds	304	-	-
Behavioral health services	323	-	-
Recall election	170	-	-
Health realignment	7,699	-	-
Calworks	178	-	-
Social services realignment	178,667	-	-
Medi-Cal	13,416	-	-
Health services programs	18,428	-	-
California assistance program for immigrants	31,738	-	-
Wraparound program	11,970	-	-
Homeless emergency aid program	178	-	-
Homeless housing assistance program	16,151	-	-
Other social services programs	4,530	-	-
Debt service	-	79,781	31,702
Road improvement	-	-	47,553
Fire services	-	-	112
Sewer maintenance	-	-	35,776
Lighting maintenance	-	-	30,326
Highway and transportation improvement	-	-	21,231
Waste management	-	-	3,087
Emergency care	-	-	2,399
Water services	-	-	21,049
Others	-	-	7,576
Total restricted	<u>283,752</u>	<u>79,781</u>	<u>200,811</u>
Assigned:			
Capital projects and improvements	10,492	-	155,779
Public services	3,482	-	1,981
Total assigned	<u>13,974</u>	<u>-</u>	<u>157,760</u>
Unassigned			
Total fund balances	<u>\$ 2,839,943</u>	<u>\$ 80,037</u>	<u>\$ 358,999</u>

General Fund Departmental Reserve Requirements

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

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

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replacement of assets, deferred maintenance, one-time departmental projects, reserve for audit disallowances, local match for grants, seed money for new departmental programs with ongoing funding sources and outcome measures, and short-term coverage of operational costs to maintain program integrity and prevent employee layoffs. Unexpended one-time funds from deferred and incomplete projects are carried over to the next fiscal year at 100% of the amount not spent.

General Fund Non-Departmental Reserve Requirements

General Fund non-departmental reserve requirements are classified into five categories:

1. *General Fund Reserves* – should be maintained at a minimum of five percent (5%) of total General Fund Net Appropriations for one-time purposes or as part of a multi-year financial plan to balance the County’s budget. The five percent requirement may include Excess ERAF reserves. Excess fund balance at year end should first be used to replenish “Appropriation for Contingencies” and next the minimum of the five percent requirement.
2. *Appropriation for Contingencies* – should be maintained at three percent (3%) of total General Fund Net Appropriations for one-time emergencies and economic uncertainties. Excess fund balance at year end must be first used to replenish this amount to achieve the highest possible credit rating.
3. *Reserve for Capital Improvements* – should be maintained at a minimum of \$2 million to preserve the County’s capital assets. The reserve will be appropriated annually to finance County-wide capital improvements as specified in the five-year County’s Capital Improvement plan. This plan will be updated annually during the budget process.
4. *Reserve for County-wide Automation Projects* – should be maintained at a minimum of \$2 million to support automation projects that will generate long-term ongoing savings and reductions to net county cost.
5. *Reserve in Excess of Above Requirements* – can only be allocated for the following one-time or short-term purposes:
 - Capital and technology improvements;
 - Reduction of unfunded liabilities, including Retirement and Retiree Health obligations;
 - Debt retirement;
 - Productivity enhancements;
 - Cost avoidance projects;
 - Litigation;
 - Local match for grants involving multiple departments;
 - Innovation and Entrepreneurial Fund to create one-time and short-term incentives for team efforts that generate ongoing savings or revenues in new and creative ways, including one-time investments in infrastructure and other areas with established parameters regarding payback periods and returns on investments;
 - Seed money for new programs involving multiple departments with future ongoing funding sources and outcome measures; and
 - Other purposes deemed to be fiscally prudent for the County as identified and recommended by the County Executive’s Office to the County Board.

General Fund departmental and non-departmental reserves are reported within unassigned fund balances because they do not meet the criteria to be reported within the restricted or committed classifications.

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Service Departments and Non-General Fund Departments

Following the end of each fiscal year, the Service Charges Committee will evaluate the fund balance generated by service departments and recommend how the balance be used.

- Internal Service Funds can maintain reserve balances for future purposes including, but not limited to, vehicle and tower road maintenance, radio, enterprise, and server and data computing replacement costs, and risk management claims.
- Enterprise Funds and Special Revenue Funds should generate revenue sufficient, as a goal, to support the full operating costs of these funds above and beyond General Fund subsidy or contribution levels approved by the County Board.

NOTE 12 – EMPLOYEES’ RETIREMENT PLANS

San Mateo County Employees’ Retirement Association

(a) Plan Description

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

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

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

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

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

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	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>	
Plan 1*	Hire date	On or before 7/5/80	On or before 7/5/80	On or before 7/5/80
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	5%	3%	5%
	FAC period**	Highest 1 year	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 2*	Hire date	7/6/80 - 7/12/97	7/6/80 - 7/12/97	7/6/80 - 7/12/97
	Benefit factor	2%@55.5	3%@50	3%@50
	Maximum COLA	3%	3%	3%
	FAC period	Highest 1 year	Highest 1 year	Highest 1 year
	Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 3*	Hire date	On or before 12/22/12	Not applicable	Not applicable
		(Plan 3 is a non-contributory plan. After five years of service, Plan 3 members can elect membership under the open contributory plan. Members currently working in a contributory plan with Plan 3 service may purchase an upgrade of their Plan 3 service. Plan 3 closed effective December 23, 2012.)		
		(If retirement occurs prior to age 65, benefit amount will be adjusted by an actuarial equivalent factor.)		
	Maximum COLA	No COLA	Not applicable	Not applicable
	FAC period	Highest 3 years (non-consecutive)	Not applicable	Not applicable
	Eligibility for service retirement	Age 65 with 10 years of service; reduced benefit at age 55 with 10 years of service.	Not applicable	Not applicable

* Plans 1, 2, and 3 are closed to new entrants.

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

(Continued)

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	<u>General Member</u>	<u>Probation Member</u>	<u>Safety Member</u>
Plan 4*	7/13/97 - 8/6/11 (except Plan 5 transfers discussed under Plan 5 below) (Note: Plan 4 closed simultaneously with the implementation of Plans 5 and 6.)		
Hire date		7/13/97 - 7/9/11	7/13/97 - 1/7/12
Benefit factor	2%@55.5	3%@50	3%@50
Maximum COLA	2%	2%	2%
FAC period**	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 5	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.)		
Hire date		7/10/11 - 12/31/12	1/8/12 - 12/31/12
Benefit factor	2%@61.25	3%@55	3%@55
Maximum COLA	2%	2%	2%
FAC period	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
Eligibility for service retirement	Age 50 with 10 years of service; any age with 30 years of service; or age 70 regardless of years of service.	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 6	7/10/11 - 12/31/12		
Hire date	Not applicable		7/10/11 - 12/31/12
Benefit factor	Not applicable	2%@50	2%@50
Maximum COLA	Not applicable	2%	2%
FAC period	Not applicable	Highest 3 years (non-consecutive)	Highest 3 years (non-consecutive)
Eligibility for service retirement	Not applicable	Age 50 with 10 years of service; or any age with 20 years of service.	Age 50 with 10 years of service; or any age with 20 years of service.
Plan 7	On or after 1/1/13		
Hire date		On or after 1/1/13	On or after 1/1/13
Benefit factor	2%@62	2.7%@57	2.7%@57
Maximum COLA	2%	2%	2%
FAC period	Highest 36 consecutive months	Highest 36 consecutive months	Highest 36 consecutive months
Eligibility for service retirement	Age 52 with 5 years of service.	Age 50 with 5 years of service.	Age 50 with 5 years of service.

* Note 1: Plan 4 is closed to new entrants. However, eligible General members of the San Mateo County Mosquito and Vector Control District with reciprocity may participate in General Plan 4.

Note 2: Plan 5 is available for certain Safety and Probation members as well as members with reciprocity.

Note 3: Plan 6 is available for Safety Management and Probation members.

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

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

Pension Plan Membership. Plan membership as of June 30, 2025 is displayed in the table below.

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Total
RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS								
General	1,005	2,346	129	1,477	60	-	107	5,124
Safety	239	271	-	225	16	-	16	767
Probation	82	124	-	151	-	-	1	358
Subtotal	1,326	2,741	129	1,853	76	-	124	6,249
INACTIVE MEMBERS ENTITLED TO BUT NOT RECEIVING BENEFITS (DEFERRED)								
General	2	138	43	1,033	193	-	1,500	2,909
Safety	-	6	-	37	17	-	101	161
Probation	-	6	-	33	5	1	22	67
Subtotal	2	150	43	1,103	215	1	1,623	3,137
CURRENT MEMBERS, VESTED								
General	1	157	26	1,204	186	-	1,503	3,077
Safety	-	5	-	102	51	-	156	314
Probation	-	-	-	58	5	-	37	100
Subtotal	1	162	26	1,364	242	-	1,696	3,491
CURRENT MEMBERS, NON-VESTED								
General	-	-	1	5	43	-	1,913	1,962
Safety	-	-	-	-	16	-	193	209
Probation	-	-	-	-	-	-	12	12
Subtotal	-	-	1	5	59	-	2,118	2,183
Total Members	1,329	3,053	199	4,325	592	1	5,561	15,060

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

Contributions. The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retirement. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Employer contribution rates for each tier are determined pursuant to Government Code Section 31453 of the 1937 Act. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost (the estimated amount necessary to finance benefits earned by members during the year) and an amount required to amortize the unfunded actuarial accrued liability. Contributions to the plan from the County were \$228.7 million and First 5 were \$0.2 million for the fiscal year ended June 30, 2025.

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

As of June 30, 2025, the County reported \$722.8 million for its proportionate share of the net pension liability, while First 5 reported \$1.2 million for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2024, 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, 2024. 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 93.41% as of the June 30, 2024 measurement date, which was an decrease of 0.62% from its share measured as of June 30, 2023.

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For the fiscal year ended June 30, 2025, the County recognized pension expense of \$295.0 million and First 5 recognized pension expense of \$0.4 million. The County reported \$228.7 million and First 5 reported \$0.2 million as deferred outflows of resources related to pension contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-type Activities	Primary Gov't Total	First 5 San Mateo County
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to measurement date	\$ 200,491	\$ 28,196	\$ 228,687	\$ 225
Changes of pension-related assumptions	62,343	11,681	74,024	102
Difference in actual and proportionate share of pension contributions	534	100	634	1
Differences between expected and actual pension experience	123,353	23,088	146,441	190
Differences between projected and actual earnings on pension investment	20,488	3,701	24,189	39
Total deferred outflows of resources	<u>\$ 407,209</u>	<u>\$ 66,766</u>	<u>\$ 473,975</u>	<u>\$ 557</u>
DEFERRED INFLOWS OF RESOURCES				
Changes in proportionate share of net pension liability	\$ 1,551	\$ 291	\$ 1,842	\$ 2
Differences between projected and actual earnings on pension investment	28	76	104	-
Total deferred inflows of resources	<u>\$ 1,579</u>	<u>\$ 367</u>	<u>\$ 1,946</u>	<u>\$ 2</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>	Governmental Activities	Business-type Activities	Primary Gov't Total	First 5
2026	\$ 55,810	\$ 10,462	\$ 66,272	\$ 95
2027	172,386	32,061	204,447	269
2028	1,742	326	2,068	3
2029	(24,799)	(4,646)	(29,445)	(37)
Total	<u>\$ 205,139</u>	<u>\$ 38,203</u>	<u>\$ 243,342</u>	<u>\$ 330</u>

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(c) Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2024
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2020 to April 30, 2023
Amortization method	Level Percent of Projected Payroll
Amortization period	Effective with the June 30, 2023 valuation, all outstanding UAAL layers were consolidated into a single layer and amortized over a 15-year period (fresh-start method) beginning July 1, 2024. Effective with June 30, 2024 valuation, new layers are established to amortize newly emerging gains and losses over their own 15-year closed period.
Asset valuation method	5-year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value), which cannot vary more than 20% from the fair value.
Actuarial assumptions:	
Investment rate of return	6.42%
Inflation rate (CPI)	2.75%
Payroll growth rate	3.25%
Mortality	See the valuation report as of June 30, 2024, 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 2.75%.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Growth		
Public Equity	41.0%	3.6%
Private Equity	7.0%	6.6%
Opportunistic Credit	11.0%	3.2%
Diversifying		
Defensive Fixed Income	12.5%	1.9%
Absolute Return	6.0%	3.0%
Inflation Hedge		
Real Estate	9.0%	4.8%
Private Real Assets	5.0%	5.1%
Public Real Assets	3.0%	5.1%
Liquidity		
Cash Flow Matched	4.5%	1.5%
Cash & Cash Overlay	1.0%	1.4%
Total	100%	

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Discount Rate. The investment rate of return assumption used to measure the total pension liability was 6.42% as of June 30, 2024, same as from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA’s funding policy and the legal requirements under the County Employees Retirement Law of 1937. In addition, the County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the unfunded actuarial accrued liability. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

Sensitivity of the County’s Proportionate Share of Net Pension Liability to Changes in the Discount Rate. The following presents net pension liability of the County, calculated using the discount rate of 6.42%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.42%) or 1 percentage point higher (7.42%) than the current rate.

(Dollars in Millions)

	Primary Government		
	1% Decrease:	Current Discount Rate:	1% Increase:
	5.42%	6.42%	7.42%
Total pension liability	\$ 7,736.5	\$ 6,767.6	\$ 5,979.3
Fiduciary net position	6,044.8	6,044.8	6,044.8
Net pension liability	1,691.6	722.8	(65.6)
	First 5		
	1% Decrease:	Current Discount Rate:	1% Increase:
	5.42%	6.42%	7.42%
Total pension liability	\$ 12.4	\$ 10.9	\$ 9.6
Fiduciary net position	9.7	9.7	9.7
Net pension liability	2.7	1.2	(0.1)

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

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 \$345 thousand for calendar year 2024. 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, 2025, the County contributed \$438 thousand into the Supplemental Retirement Plan.

COUNTY OF SAN MATEO
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County of San Mateo Extra Help Agile 401a Plan

The County maintains a qualified defined contribution plan for extra help employees. Employees are eligible upon employment at their discretion. Employer contributions are discretionary and are determined by the County on an annual basis. Employer matching contributions made by the County, including any earnings, vest over a 3-year period. During the fiscal year ended June 30, 2025, the County contributed \$1.9 million into the Agile 401a Plan.

Housing Authority of the County of San Mateo

The Housing Authority has its own employees and participates in a defined contribution retirement plan administered by the Variable Annuity Life Insurance Company. Employees with more than six months of service can participate in the plan. This plan provides an individual account for each participant. The amount a participant will receive depends solely on the amount contributed to the participant’s account plus earnings from investments of those contributions.

The Housing Authority is required to deposit an amount as set forth in the plan to employee accounts. Employer contributions are vested 20% for each year of service of the individual employee until the employee becomes fully vested after five years. Under this plan, management employees do not need to make contributions. The Housing Authority contributes 14% of the gross salary monthly for management. The plan had 51 active participants as of June 30, 2025. During the fiscal year ended June 30, 2025, the Housing Authority contributed \$0.6 million to its retirement plan.

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

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

Health Plan of San Mateo

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

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

As of December 31, 2024, participant data for the Plan is as follows: 14 retired and beneficiaries, 61 inactive, and 375 active. The Plan does not issue a stand-alone financial report.

As of December 31, 2024, HPSM recognized pension expense of \$3.6 million and reported \$2.8 million in net pension liability. Deferred outflows and deferred inflows of resources are reported as follows:

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	Health Plan of San Mateo (December 31, 2024)
DEFERRED OUTFLOWS OF RESOURCES	
Changes of pension-related assumptions	\$ 1
Differences between expected and actual pension experience	1,390
Differences between projected and actual earnings on pension investment	576
Total deferred outflows of resources	\$ 1,967
 DEFERRED INFLOWS OF RESOURCES	
Changes of pension-related assumptions	\$ 3
Total deferred inflows of resources	\$ 3

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
2025	\$ 1,141
2026	1,126
2027	(448)
2028	6
2029	129
Thereafter	10
Total	\$ 1,964

The table below summarizes changes in the net pension liability for the fiscal year ended December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
Balance at December 31, 2023	\$ 38,378	\$ 35,396	\$ 2,982
Changes during the year:			
Service cost	2,423	-	2,423
Interest	3,014	-	3,014
Differences between expected and actual experience	788	-	788
Benefit payments	(1,268)	(1,268)	-
Employer contributions	-	2,721	(2,721)
Net investment income	-	3,660	(3,660)
Net changes	4,957	5,113	(156)
Balance at December 31, 2024	\$ 43,335	\$ 40,509	\$ 2,826

Actuarial assumptions used by HPSM as of December 31, 2024:

Valuation date	12/31/2024
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed amortization
Asset valuation method	Fair value
Actuarial assumptions:	
Projected salary increases	5.00%
Mortality	Pri-2012 total dataset table for males and females, with future mortality improvements projected on a fully generational basis using projection scale MP-2021.
Discount rate	7.50%

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The following table summarizes the sensitivity of net pension liability to changes in the discount rates as of December 31, 2024.

	HPSM		
	1% Decrease:	Current Discount Rate:	1% Increase:
	6.50%	7.50%	8.50%
Net pension liability as of December 31, 2024	\$ 5,508	\$ 2,826	\$ 427

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

County of San Mateo

Plan Description. The County administers a postemployment benefit (OPEB) sick leave conversion Retiree Health Plan (a single-employer defined benefit plan). This plan provides healthcare benefits to members who retire from the County and are eligible to receive a pension from SamCERA. Eligible retirees may elect to continue healthcare coverage in the County health plan and convert their sick leave balance at retirement to a County-paid monthly benefit that will partially fund their retiree health premiums.

Benefit provisions are established and may be amended through negotiations between the County and the bargaining units during each bargaining period. The plan does not cover employees of the Housing Authority nor issues a separate financial report.

The County funds its OPEB plan through the California Employers’ Retiree Benefits Trust (CERBT), an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other postemployment benefits for their covered employees or retirees. The CERBT’s administrator, the California Public Employees’ Retirement System (CalPERS), issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

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

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

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.

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As of June 30, 2025, the conversion benefit is as follows per month.

Years of Service at Retirement	County Monthly Contribution*	Annual Increase	Not to exceed
<15	\$ 440.00	0%	90% of pre-65 Kaiser retiree only premium
15-20	588.09	2%	90% of pre-65 Kaiser retiree only premium
≥20	712.87	4%	90% of pre-65 Kaiser retiree only premium

* Contribution amount is in dollars.

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

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

For the majority of bargaining units, hired on or after January 1, 2011. For each eight hours of unused sick leave at the time of retirement, the County contributes \$400 (in dollars) of the total premiums. Retirees can choose to cover spouses and dependents. Retirees can choose a higher level for the County portion but will need to convert more sick leave hours each month for those higher amounts.

Future increases in retiree sick leave conversion benefits vary among various bargaining groups under the County's latest bargaining agreements. Demographic assumptions regarding retirement, disability, and turnover are based on statistics from the June 30, 2024 pension valuation for SamCERA.

Membership	
Actives	5,411
Retirees and beneficiaries receiving benefits	<u>2,377</u>
Total Membership	<u>7,788</u>

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, 2025, were as follows:

Employer contributions	\$ 30,058
Implicit rate subsidy	<u>11,360</u>
	<u>\$ 41,418 *</u>

* The contribution included non-County amounts (County Library and LAFCo) for fiscal year ended June 30, 2025.

Net OPEB Liability, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB. As of June 30, 2025, the County reported \$90.2 million of net OPEB liability, while First 5 reported \$0.1 million of net OPEB asset. The net OPEB (asset)/liability of the plan is measured as of June 30, 2024 and the total OPEB liability for the

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plan used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of June 30, 2024. The County's portion of the net OPEB (asset)/liability, which includes First 5 was 97.8% as of June 30, 2024. The remaining portion of 2.2% is related to County Library and San Mateo Local Agency Formation Commission (LAFCo), which are not part of the County's reporting entity.

For the fiscal year ended June 30, 2025, the County recognized OPEB expense of \$27.1 million and First 5 recognized \$38 thousand. The County reported \$40.4 million and First 5 reported \$56 thousand as deferred outflows of resources related to OPEB contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-type Activities*	Primary Gov't Total	First 5 San Mateo County
DEFERRED OUTFLOWS OF RESOURCES				
OPEB contributions subsequent to measurement date	\$ 33,396	\$ 6,965	\$ 40,361	\$ 56
Changes of OPEB-related assumptions	19,325	4,135	23,460	44
Differences between expected and actual OPEB experience	27,969	5,875	33,844	47
Differences between projected and actual earnings on OPEB investments	14,965	3,284	18,249	1
Total deferred outflows of resources	\$ 95,655	\$ 20,259	\$ 115,914	\$ 148
DEFERRED INFLOWS OF RESOURCES				
Changes of OPEB-related assumptions	\$ 12,788	\$ 2,722	\$ 15,510	\$ 57
Differences between expected and actual OPEB experience	20,018	4,265	24,283	68
Total deferred inflows of resources	\$ 32,806	\$ 6,987	\$ 39,793	\$ 125

* Housing Authority's portion is presented separately.

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities*</u>	<u>Primary Gov't Total</u>	<u>First 5</u>
2026	\$ 5,061	\$ 1,105	\$ 6,166	\$ (33)
2027	12,427	2,688	15,115	5
2028	(4)	(7)	(11)	(17)
2029	1,707	363	2,070	(5)
2030	5,170	1,097	6,267	9
Thereafter	5,092	1,061	6,153	8

* Housing Authority's portion is presented separately.

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Actuarial Assumptions. The total OPEB liabilities in the June 30, 2024 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2024
Actuarial cost method	Entry Age Normal
Actuarial experience study	July 1, 2020 to April 30, 2023
Actuarial assumptions:	
Discount rate	5.75%
Long-term expected rate of return	5.75%, net of investment expense
Inflation	2.50%
Payroll growth rate	3.25%
Mortality	Projected with the MP-2021 Mortality Improvement Scale for active members, healthy retirees, and disable retirees.
Health cost trend	Adjusted to reflect the expected costs due to ACA
	2025-26 10.40%
	2026-27 5.50%
	2027-28 5.20%
	2028-29 5.10%
	2029-30 4.90%
	2030-31 4.80%
	2031-32 4.70%
	2032-33 4.60%
	2033-34 4.40%
	2034-45 4.30%
	2054-55 4.40%
	2064-65 4.30%
	After 2074 3.90%
Dental and vision cost trend	2025-26 2.00%
	2026-73 4.00%
	After 2073 3.90%

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

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

Discount Rate. The investment rate of return assumption used to measure the total OPEB liability was 5.75%, same as from prior fiscal year. The projection of benefit payments made in future periods and expected level of cash flows and investment returns were used to determine the discount rate and assumed that employer contributions will be made at the funding requirements. Based on those assumptions, the plan's fiduciary net position was projected to be sufficient to pay projected benefit payments in all future benefit payments of current active and inactive employees. Therefore,

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

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

(Dollars in Millions)

	Primary Government*		
	1% Decrease:	Current Discount Rate:	1% Increase:
	4.75%	5.75%	6.75%
Total OPEB liability	\$ 542.8	\$ 498.4	\$ 459.0
Fiduciary net position	408.3	408.3	408.3
Net OPEB (asset) liability	134.5	90.1	50.7

* Housing Authority's portion is separately presented.

	First 5		
	1% Decrease:	Current Discount Rate:	1% Increase:
	4.75%	5.75%	6.75%
Total OPEB liability	\$ (0.6)	\$ (0.6)	\$ (0.5)
Fiduciary net position	(0.5)	(0.5)	(0.5)
Net OPEB (asset) liability	(0.1)	(0.1)	0.0

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

(Dollars in Millions)

	Primary Government*		
	1% Decrease:	Current Trend Rate:	1% Increase:
Total OPEB liability	\$ 456.5	\$ 498.4	\$ 547.5
Fiduciary net position	408.3	408.3	408.3
Net OPEB (asset) liability	48.2	90.1	139.2

* Housing Authority's portion is separately presented.

	First 5		
	1% Decrease:	Current Trend Rate:	1% Increase:
Total OPEB liability	\$ (0.5)	\$ (0.6)	\$ (0.6)
Fiduciary net position	(0.5)	(0.5)	(0.5)
Net OPEB (asset) liability	0.0	(0.1)	(0.1)

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OPEB Plan Fiduciary Net Position. The Plan Fiduciary Net Position and total OPEB liability were determined as of the measurement date. The components of the net OPEB (asset)/liability as of June 30, 2024 were presented as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB * (Asset) Liability
Balance at June 30, 2023	\$ 462,743	\$ 384,431	\$ 78,312
Changes for the year:			
Service cost	17,054	-	17,054
Interest on total OPEB liability	26,819	-	26,819
Effect of plan changes	50	-	50
Effect of economic/demographic gains or losses	32,663	-	32,663
Effect of assumptions changes or inputs	(3,013)	-	(3,013)
Benefit payments	(27,144)	(27,144)	-
Employer contributions	-	28,729	(28,729)
Net investment income	-	31,301	(31,301)
Administrative expenses	-	(193)	193
Net changes	46,429	32,693	13,736
Balance at June 30, 2024	\$ 509,172	\$ 417,124	\$ 92,048

* Of the balance at June 30, 2024, \$90.1 million belonged to the primary government, (\$0.1) million to First 5, and \$2.0 million to the County Library and LAFCo.

The table below summarizes changes for the primary government:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 442,849	\$ 366,117	\$ 76,732
Changes for the year	45,231	31,848	13,383
Balance at June 30, 2024	\$ 488,080	\$ 397,965	\$ 90,115

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.

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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, 2025, the Housing Authority has 51 active and 10 retirees that were covered by the benefit terms under the plan.

Contributions. Contribution requirements for the members and the Housing Authority are established through a Memorandum of Understanding between the Housing Authority and its applicable employee bargaining units and may be amended by agreements between the Housing Authority and the bargaining units. The annual contribution was based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, the Housing Authority contributed \$0.1 million to the trust.

Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. As of June 30, 2025, the Housing Authority reported \$0.5 million of net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2025, 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, 2025. For the fiscal year ended June 30, 2025, the Housing Authority recognized OPEB expense of \$140 thousand and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

DEFERRED OUTFLOWS OF RESOURCES	<u>Housing Authority</u>
Changes of OPEB-related assumptions	\$ 175
Differences between expected and actual OPEB experience	132
Differences between projected and actual earnings on OPEB investments	56
Total deferred outflows of resources	<u>\$ 363</u>
DEFERRED INFLOWS OF RESOURCES	
Changes of OPEB-related assumptions	\$ 143
Differences between expected and actual OPEB experience	98
Total deferred inflows of resources	<u>\$ 241</u>

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

<u>Year Ending June 30</u>	<u>Housing Authority</u>
2026	\$ 71
2027	11
2028	1
2029	1
2030	5
Thereafter	33
Total	<u>\$ 122</u>

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The changes in the net OPEB liability as of June 30, 2025 are as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 2,009	\$ 1,606	\$ 403
Changes recognized for the measurement period:			
Service cost	64	-	64
Interest on total OPEB liability	118	-	118
Effect of economic/demographic gains or losses	24	-	24
Changes of assumptions	135	-	135
Benefit payments	(49)	(49)	-
Employer contributions	-	99	(99)
Net investment income	-	123	(123)
Administrative expenses	-	(1)	1
Net changes	292	172	120
Balance at June 30, 2025	\$ 2,301	\$ 1,778	\$ 523

Actuarial Assumptions. The Housing Authority's Plan was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation using the following information below.

Actuarial Methods and Assumptions	
Valuation date	6/30/2025
Actuarial assumptions:	
Discount rate	5.75%
Investment rate of return	5.75%
Inflation	2.50%
Payroll growth rate	3.77% - 9.96%
Mortality	PUB-2010 healthy and retiree mortality table for general employees projected using scale MIP-2021
Pre-retirement turnover	Derived from 2023 SamCERA experience study
Healthcare trend rate	3.90% - 6.40%

The Housing Authority's Plan long-term expected rate of return is based on the investment policy of CERBT. It is invested in CERBT Strategy 3 for its assets. The asset allocation and the expected arithmetic nominal return are summarized as follows:

Asset Class	Asset Allocation	Expected Arithmetic Nominal Return
Global Equity	23%	8.59%
U.S. Fixed Income	51%	6.12%
Treasury Inflation-Protected Securities	9%	4.43%
Real Estate Investment Trusts	14%	9.34%
Commodities	3%	5.88%
Total	100%	
Expected Arithmetic Return (30 years)		6.98%
Expected Geometric Return (30 years)		6.52%

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

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

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net OPEB liability	\$ 740	\$ 523	\$ 330

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 307	\$ 523	\$ 772

The table below summarizes the County’s net OPEB liability for the fiscal year ended June 30, 2025:

Net OPEB liability	
Primary government	\$ 90,115
Housing Authority	523
	\$ 90,638

NOTE 14 – RISK MANAGEMENT

County. The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. For most insurable risks, the County, except for the Housing Authority, is self-insured except for excess insurance coverage provided by commercial insurance companies that are limited to the following:

- Real and personal property in excess of \$100 per incident, but limited to a maximum of \$500,000.
- Earthquake in excess of \$250 or 5% of the replacement value, whichever is more per incident, but limited to a maximum of \$50,000 in aggregate.
- Flood damage in excess of \$100 or 3% of the replacement value per location, whichever is more per incident, special hazard flood in excess of \$500 but limited to a maximum of \$50,000 in aggregate.
- General liability in excess of \$2,000 per incident, but limited to a maximum of \$50,000.
- 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 \$50,000.
- Malpractice in excess of \$500 per incident, but limited to a maximum of \$25,000 per claim and aggregate.

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

The estimated claims liability of \$63.2 million, as reported in the internal service funds at June 30, 2025, is based on requirements of GASB Statements No. 10 and 30. Under these statements, the County is required to report a liability for claims if, prior to issuance of the financial statements, information indicates that the liability is probable and the amount of loss can be reasonably estimated. About \$55.4 million of the \$63.2 million reported was actuarially determined at a discount rate of 2%. The actuarially determined liability (which covers workers' compensation losses, general liability, and automobile liability) includes allocated loss adjustment expenses, case reserves, development of 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 2024-25.

Changes to the claims liability for FY 2023-24 and FY 2024-25 are as follows:

Liability at June 30, 2023	\$	60,233
Current year claims and changes in estimates		28,847
Payments on claims		<u>(25,633)</u>
Liability at June 30, 2024		63,447
Current year claims and changes in estimates		32,149
Payments on claims		<u>(32,379)</u>
Liability at June 30, 2025	\$	<u><u>63,217</u></u>

Housing Authority. The Housing Authority is exposed to all common perils associated with the ownership and rental of real estate properties. Management has established a risk management program to minimize loss occurrence and to transfer risk through various levels of insurance. The Housing Authority is a member of Housing Authority Insurance Group (HAIG). Through HAIG, the Housing Authority maintains liability coverage for Commercial and Auto claims up to \$10 million and for public officials and employment practice up to \$1 million (defense only). All other common perils such as business, auto, and flood (where applicable) are insured through commercial insurance carriers. For fiscal year ended June 30, 2025, the Housing Authority paid \$0.2 million towards premium and received surplus distribution of \$20 thousand from HAIG.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

Grant monies, which represent reimbursement for costs incurred in certain federal and State programs administered by the County, are recognized as revenues when received. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Encumbrances

The County uses "encumbrances" to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. As of June 30, 2025, the County's General Fund had a total of \$2.9 million in encumbrances.

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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 \$262.6 million at June 30, 2025, and Medical Center management does not believe that there is any credit risk associated with collection from these governmental agencies. Third party patient accounts receivable consist of receivables from various payors, including individuals involved in diverse activities subject to differing economic conditions, and do not represent any concentrated credit risk to the Medical Center. Management continually monitors and adjusts its allowances associated with these receivables and such allowances have historically been adequate to cover losses realized.

Medical Center Third-Party Reimbursement Agreements

The Medical Center provides services to patients covered by various reimbursement programs. The principal programs are the State of California Medi-Cal programs, Medicare, Health Plan of San Mateo (HPSM) Medi-Cal Managed Care and Medicare Care Advantage programs. The amount of revenue to recognize under these programs is subject to management's best estimates of the revenue that will ultimately be collected based on governmental regulations and contractual terms, including an assessment of risk related to potential retroactive audit adjustments and other uncertainties.

Federal Medicaid law allows local public entities such as counties to transfer permissible public funds to the State Medicaid agency to be utilized as the non-federal share of Medicaid expenditures, which are then eligible for federal matching funds, also known as Federal Financial Participation (FFP). The level of FFP is calculated using the Federal Medical Assistance Percentage (FMAP) published annually by the U.S. Department of Health and Human Services. For the programs described above, the FMAP was 50% for the non-Medicaid Coverage Expansion (MCE) population and for the MCE population the FMAP was 100% for January 1, 2016 through December 31, 2017, declining to 94% in 2018, 93% in 2019, and 90% in 2020 and thereafter. The County has used this mechanism, known as an Intergovernmental Transfer (IGT), to draw down federal matching funds for several programs.

The Affordable Care Act (ACA) became effective on January 1, 2014. As a result, a portion of reimbursement under various Medi-Cal programs was shifted from supplemental program revenue to patient revenue as more of the Medical Center's patients become eligible for Medi-Cal coverage. The most significant changes were the automatic transition of approximately 10,000 patients from the Medical Center's Low Income Health Program (LIHP) to Medi-Cal, enhanced FMAP reimbursement for "newly eligible" Medi-Cal Managed Care enrollees, and temporary Medi-Cal coverage through the Hospital Presumptive Eligibility program. On January 1, 2020, Medi-Cal eligibility expanded

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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 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, 2025, the Medical Center's P14 cost reports have undergone DHCS audits except for FY23 and FY24. 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 FY23-FY24 for these sections are in process and expected to be closed in FY26.

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The Medi-Cal 2020 Waiver features four programs that aim to improve care for the State's Medi-Cal and remaining uninsured patients. Most programs will help California's public health care systems better succeed in their dual missions of fulfilling their safety net roles while competing in the marketplace.

On December 3, 2014, CMS issued a final rule on Medicaid DSH payments. The Medical Center disputed the CMS final rule and joined five other public hospitals in a lawsuit filed against CMS to protect its ability to continue providing essential health care services to Medi-Cal and uninsured patients. On January 16, 2018, the United States District Court, Northern California, granted a Summary Judgement in favor of the Medical Center and the five other public hospitals. CMS filed an appeal, which was ultimately withdrawn on July 18, 2018 by the United States Court of Appeals, Ninth Circuit.

Management is working with the California Association of Public Hospitals and County Health Department to evaluate the ultimate impact of this settlement, which is dependent on the outcome of final DSH audits for the year FY11 for all public hospitals. The resulting settlement amounts are reflected in the Final DSH Settlements.

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 \$142.2 million in FY25 from HPSM, which includes \$131.8 million in FFS revenue, \$6.7 million in primary care capitation revenue, and \$3.6 million for pay-for-performance (P4P) revenue. The FFS revenue is reported as a component of net patient service revenue while primary care capitation, prior year rate range revenues and P4P revenues are reported as premium revenues on the Statement of Revenues, Expenses and Changes in Net Position.

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Medical Center is reimbursed for Graduate Medical Education and Disproportionate Share Hospital amounts at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audit thereof by the Medicare fiscal intermediary. At June 30, 2025, the last Medical Center Medicare cost report audited by the fiscal intermediary was for June 30, 2018. Medicare revenue is presented as part of net patient service revenue on the statement of revenues, expenses and changes in net position. At June 30, 2025, the Medical Center recognized \$2.6 million related to prior year 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 FY25, the Medical Center recognized \$18.0 million in AB 85 realignment revenues for estimated revisions to calculated apportionments to the Medical Center based on associated costs, which is

COUNTY OF SAN MATEO
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reflected as sales tax revenue in the statement of revenues, expenses and changes in net position. An additional \$4 million reserve was recorded for FY24 due to the FQHC PPS rate increase risk to cost shortfall limit.

Medical Center Net Charges for Services

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

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 \$14.6 million for the fiscal year ended June 30, 2025. 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 \$21.7 million for the fiscal year ended June 30, 2025. Net charity charges over costs for the fiscal year ended June 30, 2025, amounted to \$7.1 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 that have been the subject of litigation since 2016. Two separate cases were filed (one by the Assessor and one by Genentech) which wound their way through the courts and finally settled between the parties, consistent with the instructions of the court, in the spring of 2025. To finalize the settlement terms, the matter has been remanded to the AAB to determine and finalize the statement of change for the appeals. The total refund and interest thereon, due from all affected taxing entities, is currently estimated at \$20.5 million of which approximately 25% or \$5.125 million would be the County's share.

Pending Litigation

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



**Required Supplementary Information
(Unaudited)**

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

1. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The County’s infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The maintained road subsystem of the road network, with a total value of \$100.8 million at June 30, 2025, 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 2024-25.

PCI Condition Rating	2025		2024		2023	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Primary:						
Good to excellent (55-100)	141.55	90.1%	142.77	90.8%	143.03	91.0%
Substandard to fair (0-54)	15.55	9.9%	14.44	9.2%	14.18	9.0%
Total	<u>157.10</u>	<u>100.0%</u>	<u>157.21</u>	<u>100.0%</u>	<u>157.21</u>	<u>100.0%</u>
Secondary:						
Fair to excellent (40-100)	144.15	90.6%	144.36	90.7%	145.23	91.3%
Substandard (0-39)	14.96	9.4%	14.75	9.3%	13.88	8.7%
Total	<u>159.11</u>	<u>100.0%</u>	<u>159.11</u>	<u>100.0%</u>	<u>159.11</u>	<u>100.0%</u>

For the fiscal year ended June 30, 2025, the actual maintenance and preservation cost exceeded the estimated costs by \$281. The variance was primarily due to increased spending required for the maintenance and preservation work.

Fiscal Year Ended June 30,	Maintenance and Preservation Cost		Variance
	Estimated	Actual	
2020	\$ 6,076	\$ 5,631	\$ 445
2021	5,498	5,031	467
2022	5,078	4,551	527
2023	6,718	6,463	255
2024	6,647	6,372	275
2025	9,053	9,334	(281)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

2. SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2025			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	74.11%	19.15%	0.15%	93.41%
County's proportionate share of the collective net pension liability	\$ 574,414	\$ 148,389	\$ 1,160	\$ 723,963
County's covered payroll	510,025	125,442	1,006	636,473
County's proportionate share of the collective net pension liability as a percentage of covered payroll	112.62%	118.29%	115.31%	113.75%
Plan fiduciary net position as a percentage of the total pension liability	89.32%	89.32%	89.32%	89.32%
	2024			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	75.35%	18.53%	0.15%	94.03%
County's proportionate share of the collective net pension liability	\$ 660,715	\$ 162,504	\$ 1,303	\$ 824,522
County's covered payroll	473,442	120,143	921	594,506
County's proportionate share of the collective net pension liability as a percentage of covered payroll	139.56%	135.26%	141.48%	138.69%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	87.26%	87.26%	87.26%
	2023			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	75.01%	19.03%	0.15%	94.19%
County's proportionate share of the collective net pension liability	\$ 553,002	\$ 140,331	\$ 1,076	\$ 694,409
County's covered payroll	306,641	259,376	1,625	567,642
County's proportionate share of the collective net pension liability as a percentage of covered payroll	180.34%	54.10%	66.22%	122.33%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%
	2022			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	50.11%	42.38%	0.27%	92.76%
County's proportionate share of the collective net pension liability	\$ 53,963	\$ 45,646	\$ 286	\$ 99,895
County's covered payroll	461,793	105,303	789	567,885
County's proportionate share of the collective net pension liability as a percentage of covered payroll	11.69%	43.35%	36.26%	17.59%
Plan fiduciary net position as a percentage of the total pension liability	98.23%	98.23%	98.23%	98.23%
	2021			
	Governmental	Business-type		
	Activities	Activities	First 5	Total County
County's proportion of the collective net pension liability	76.92%	17.54%	0.13%	94.59%
County's proportionate share of the collective net pension liability	\$ 676,723	\$ 154,314	\$ 1,156	\$ 832,193
County's covered payroll	446,899	113,569	804	561,272
County's proportionate share of the collective net pension liability as a percentage of covered payroll	151.43%	135.88%	143.78%	148.27%
Plan fiduciary net position as a percentage of the total pension liability	84.46%	84.46%	84.46%	84.46%

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	2020			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	75.32%	19.14%	0.14%	94.60%
County's proportionate share of the collective net pension liability	\$ 464,081	\$ 117,936	\$ 835	\$ 582,852
County's covered payroll	420,854	103,335	688	524,877
County's proportionate share of the collective net pension liability as a percentage of covered payroll	110.27%	114.13%	121.37%	111.05%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	88.46%	88.46%	88.46%
	2019			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	75.87%	18.63%	0.12%	94.62%
County's proportionate share of the collective net pension liability	\$ 370,488	\$ 90,968	\$ 606	\$ 462,062
County's covered payroll	413,793	93,007	616	507,416
County's proportionate share of the collective net pension liability as a percentage of covered payroll	89.53%	97.81%	98.38%	91.06%
Plan fiduciary net position as a percentage of the total pension liability	89.96%	89.96%	89.96%	89.96%
	2018			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	77.21%	17.35%	0.11%	94.68%
County's proportionate share of the collective net pension liability	\$ 445,984	\$ 100,243	\$ 664	\$ 546,891
County's covered payroll	399,906	83,099	552	483,557
County's proportionate share of the collective net pension liability as a percentage of covered payroll	111.52%	120.63%	120.29%	113.10%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	87.49%	87.49%	87.49%
	2017			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	78.39%	16.29%	0.11%	94.79%
County's proportionate share of the collective net pension liability	\$ 558,747	\$ 116,105	\$ 771	\$ 675,623
County's covered payroll	399,906	83,099	552	483,557
County's proportionate share of the collective net pension liability as a percentage of covered payroll	139.72%	139.72%	139.67%	139.72%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	83.25%	83.25%	83.25%
	2016			
	Governmental Activities	Business-type Activities	First 5	Total County
County's proportion of the collective net pension liability	78.75%	15.92%	0.11%	94.78%
County's proportionate share of the collective net pension liability	\$ 387,414	\$ 78,341	\$ 517	\$ 466,272
County's covered payroll	358,061	72,402	478	430,941
County's proportionate share of the collective net pension liability as a percentage of covered payroll	108.20%	108.20%	108.20%	108.20%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	87.53%	87.53%	87.53%

Notes to Schedule 2:

Changes in Assumptions – The discount rate used to measure the total pension liability was 7.20% as of June 30, 2016, 6.92% as of June 30, 2017 and June 30, 2018, 6.67% as of June 30, 2019 and June 30, 2020, and was reduced to 6.42% as of June 30, 2021 through June 30, 2024.

This schedule is intended to show information for ten years.

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

3. SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION PLAN

	2025			
	Governmental Activities	Business-type Activities	First 5	Total County
Contractually required contributions	\$ 150,491	\$ 28,196	\$ 225	\$ 178,912
Contributions in relation to the contractually required contribution	200,491	28,196	225	228,912
Contribution deficiency (excess)	(50,000)	-	-	(50,000)
Covered payroll	537,242	138,786	1,085	677,113
Contributions as a percentage of covered payroll	37.32%	20.32%	20.74%	33.81%

	2024			
	Governmental Activities	Business-type Activities	First 5	Total County
Contractually required contributions	\$ 139,542	\$ 26,145	\$ 227	\$ 165,914
Contributions in relation to the contractually required contribution	149,542	26,145	227	175,914
Contribution deficiency (excess)	(10,000)	-	-	(10,000)
Covered payroll	510,025	125,442	1,006	636,473
Contributions as a percentage of covered payroll	29.32%	20.84%	22.56%	27.64%

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

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

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

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

	2019			
	Governmental	Business-type	First 5	Total County
	Activities	Activities		
Contractually required contributions	\$ 153,693	\$ 31,455	\$ 229	\$ 185,377
Contributions in relation to the contractually required contribution	204,361	31,455	229	236,045
Contribution deficiency (excess)	(50,668)	-	-	(50,668)
Covered payroll	420,854	103,335	688	524,877
Contributions as a percentage of covered payroll	48.56%	30.44%	33.28%	44.97%

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

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

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 2,423	\$ 2,125	\$ 2,014	\$ 1,851	\$ 1,761
Interest	3,014	2,691	2,422	2,157	1,842
Differences between expected and actual experience	788	421	147	243	1,515
Changes of assumptions	-	-	-	-	(15)
Benefit payments	(1,268)	(1,210)	(1,009)	(745)	(1,229)
Net change in total pension liability	4,957	4,027	3,574	3,506	3,874
Total pension liability beginning of year	38,378	34,351	30,777	27,271	23,397
Total pension liability end of year (a)	<u>\$ 43,335</u>	<u>\$ 38,378</u>	<u>\$ 34,351</u>	<u>\$ 30,777</u>	<u>\$ 27,271</u>
Plan fiduciary net pension					
Contributions	2,721	2,654	2,096	1,949	1,772
Net investment income	3,660	4,671	(4,956)	3,212	3,805
Benefit payments	(1,268)	(1,210)	(1,009)	(745)	(1,229)
Net change in Plan fiduciary net position	5,113	6,115	(3,869)	4,416	4,348
Plan fiduciary net position beginning of year	35,396	29,281	33,150	28,734	24,386
Plan fiduciary net position end of year (b)	<u>\$ 40,509</u>	<u>\$ 35,396</u>	<u>\$ 29,281</u>	<u>\$ 33,150</u>	<u>\$ 28,734</u>
Net pension liability (asset) end of year					
Plan's net pension liability (asset) (a) - (b)	\$ 2,826	\$ 2,982	\$ 5,070	\$ (2,373)	\$ (1,463)
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.5%	92.2%	85.2%	107.7%	105.4%
Covered payroll	\$ 37,867	\$ 32,335	\$ 28,064	\$ 27,279	\$ 26,690
Net pension liability (asset) as a percentage of covered payroll	7.46%	9.22%	18.07%	-8.70%	-5.48%
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 1,556	\$ 1,409	\$ 1,343	\$ 1,187	\$ 1,253
Interest	1,655	1,494	1,369	1,265	1,284
Differences between expected and actual experience	562	580	642	365	(460)
Changes of assumptions	37	(2)	1	4	(1,472)
Benefit payments	(1,801)	(1,169)	(2,335)	(875)	(709)
Net change in total pension liability	2,009	2,312	1,020	1,946	(104)
Total pension liability beginning of year	21,388	19,076	18,056	16,110	16,214
Total pension liability end of year (a)	<u>\$ 23,397</u>	<u>\$ 21,388</u>	<u>\$ 19,076</u>	<u>\$ 18,056</u>	<u>\$ 16,110</u>
Plan fiduciary net pension					
Contributions	1,613	1,397	1,313	1,164	1,459
Net investment income	4,100	(1,086)	2,921	1,401	(71)
Benefit payments	(1,801)	(1,169)	(2,335)	(875)	(709)
Net change in Plan fiduciary net position	3,912	(858)	1,899	1,690	679
Plan fiduciary net position beginning of year	20,474	21,332	19,433	17,743	17,064
Plan fiduciary net position end of year (b)	<u>\$ 24,386</u>	<u>\$ 20,474</u>	<u>\$ 21,332</u>	<u>\$ 19,433</u>	<u>\$ 17,743</u>
Net pension liability (asset) end of year					
Plan's net pension liability (asset) (a) - (b)	\$ (989)	\$ 914	\$ (2,256)	\$ (1,377)	\$ (1,633)
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.2%	95.7%	111.8%	107.6%	110.1%
Covered payroll	\$ 23,368	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,554
Net pension liability (asset) as a percentage of covered payroll	-4.23%	4.11%	-11.23%	-7.58%	-9.86%

Notes to Schedule 4:

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

5. HPSM'S SCHEDULE OF CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 2,721	\$ 2,654	\$ 2,096	\$ 1,949	\$ 1,772
Contributions related to actuarially determined contribution	2,721	2,654	2,096	1,949	1,772
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 37,867	\$ 32,335	\$ 28,064	\$ 27,279	\$ 26,690
Contributions as a percentage of covered payroll	7.19%	8.21%	7.47%	7.14%	6.64%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,613	\$ 1,397	\$ 1,313	\$ 1,164	\$ 1,437
Contributions related to actuarially determined contribution	1,613	1,397	1,313	1,164	1,459
Contribution deficiency (excess)	-	-	-	-	(22)
Covered payroll	\$ 23,368	\$ 22,218	\$ 20,084	\$ 18,168	\$ 16,536
Contributions as a percentage of covered payroll	6.90%	6.29%	6.54%	6.41%	8.82%

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 23-24	FY 22-23	FY 21-22	FY 20-21
Total OPEB liability				
Service cost	\$ 17,054	\$ 15,792	\$ 14,706	\$ 13,966
Interest on total OPEB liability	26,819	25,619	23,680	25,704
Effect of plan changes	50	6,920	(6,315)	-
Effect of economic/demographic gains or losses	32,663	(16,162)	9,979	(24,929)
Effect of assumptions changes or inputs	(3,013)	13,906	15,198	7,997
Benefit payments	(27,144)	(25,821)	(23,450)	(22,368)
Net change in total OPEB liability	46,429	20,254	33,798	370
Total OPEB liability - beginning	462,743	442,489	408,691	408,321
Total OPEB liability - ending (a)	\$ 509,172	\$ 462,743	\$ 442,489	\$ 408,691
Plan fiduciary net position				
Employer contributions	\$ 28,729	\$ 24,315	\$ 26,383	\$ 28,692
Net investment income	31,301	13,007	(53,800)	69,120
Benefit payments	(27,144)	(25,821)	(23,450)	(22,368)
Administrative expenses	(193)	(182)	(206)	(190)
Net change in plan fiduciary net position	32,693	11,319	(51,073)	75,254
Plan fiduciary net position - beginning	384,431	373,112	424,185	348,931
Plan fiduciary net position - ending (b)	\$ 417,124	\$ 384,431	\$ 373,112	\$ 424,185
Net OPEB (asset) liability - ending (a) - (b)	\$ 92,048	\$ 78,312	\$ 69,377	\$ (15,494)
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	81.92%	83.08%	84.32%	103.79%
Covered payroll	\$ 756,726	\$ 696,577	\$ 720,348	\$ 669,632
Net OPEB (asset) liability as a percentage of covered payroll	12.16%	11.24%	9.63%	-2.31%

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

Notes to Schedule 6:

Changes in Assumptions – The discount rate used to measure the total OPEB liability was 6.73% as of June 30, 2017 and June 30, 2018, 6.50% as of June 30, 2019 and June 30, 2020, 6.25% as of June 30, 2021, and was reduced to 5.75% as of June 30, 2022 through June 30, 2025.

Net OPEB (Asset) Liability – This schedule represents the activities and balance of the single employer defined benefit plan which includes County Library and San Mateo Local Agency Formation Commission that are not part of the County's reporting entity. The County's portion, including First 5, was \$90.0 million, or 97.42% as of June 30, 2025, \$76.6 million, or 97.67% as of June 30, 2024, \$68.2 million, or 97.55% as of June 30, 2023, (\$14.8) million, or 95.45% as of June 30, 2022, \$58.2 million, or 97.99% as of June 30, 2021, \$93.2 million, or 98.06% as of June 30, 2020, \$99.7 million, or 98.03% as of June 30, 2019, and \$87.3 million, or 98.04% as of June 30, 2018.

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

7. SCHEDULE OF OPEB CONTRIBUTIONS

	<u>FY 24-25</u>	<u>FY 23-24</u>	<u>FY 22-23</u>	<u>FY 21-22</u>	<u>FY 20-21</u>
Actuarially determined contribution	\$ 25,721	\$ 23,895	\$ 14,968	\$ 20,036	\$ 26,365
Contributions in relation to the actuarially determined contribution	41,418	28,729	24,315	26,383	28,692
Contribution deficiency (excess)	<u>\$ (15,697)</u>	<u>\$ (4,834)</u>	<u>\$ (9,347)</u>	<u>\$ (6,347)</u>	<u>\$ (2,327)</u>
Covered payroll	\$ 815,721	\$ 756,726	\$ 696,577	\$ 720,348	\$ 669,632
Contributions as a percentage of covered payroll	5.08%	3.80%	3.49%	3.66%	4.28%
	<u>FY 19-20</u>	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>	
Actuarially determined contribution	\$ 25,905	\$ 25,221	\$ 23,579	\$ 29,945	
Contributions in relation to the actuarially determined contribution	28,208	29,161	24,579	29,945	
Contribution deficiency (excess)	<u>\$ (2,303)</u>	<u>\$ (3,940)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	
Covered payroll	\$ 644,963	\$ 611,331	\$ 585,556	\$ 561,429	
Contributions as a percentage of covered payroll	4.37%	4.77%	4.20%	5.33%	

Notes to Schedule 7:

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

Actuarial Valuation (For Funding Purposes)					
Valuation date	6/30/2025	6/30/2023	6/30/2021	6/30/2019	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	A fixed 30-year period from July 1, 2005. The remaining amortization period as of July 1, 2021 is 14 years.				
Asset valuation method	5-8.2 year smoothed recognition of asset gains and losses (determined as the difference of the actual fair value to the expected fair value).				
Actuarial assumptions:					
Investment rate of return *	5.75%	5.75%	5.75%	6.50%	6.73%
Inflation rate (CPI)	2.50%	2.50%	2.50%	2.75%	2.75%
Annual projected salary increases	3.00%	3.00%	3.00%	3.00%	3.00%
Healthcare cost trend rates	10.4% in 2024-25, decreasing to 3.9% in 2074 and beyond.	8.9% in 2022-23, decreasing to 3.9% in 2082 and beyond.	5.1% in 2021-22, decreasing to 4.0% in 2074 and beyond.	5.4% in 2020-21, decreasing to 4.5% in 2080 and beyond.	7.6% in 2017-18, decreasing to 4.5% in 2073 and beyond.
Retirement age	Assumed retirement ages of 62 for general members, 50-55 for safety and probation members.				
Mortality	MP-2021 Mortality Improvement Scale.	MP-2021 Mortality Improvement Scale.	MP-2014 Ultimate Projection Scale.	RP-2014 Healthy Annuitant Mortality Table for respective sex with MP-2014 Ultimate Projection Scale.	RP-2000 Healthy Combined Mortality, with adjustment for white collar workers.
Valuation date	6/30/2015				
Actuarial cost method	Entry Age Normal				
Amortization method	Level Percent of Payroll				
Amortization period	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 *	6.73%				
Inflation rate (CPI)	2.75%				
Annual projected salary increases	3.00%				
Healthcare cost trend rates	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.				

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

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

	FY 24-25	FY 23-24	FY 22-23	FY 21-22	FY 20-21
Total OPEB liability					
Service cost	\$ 64	\$ 62	\$ 74	\$ 59	\$ 49
Interest on total OPEB liability	118	112	97	87	92
Effect of economic/demographic gains or losses	24	51	(91)	129	(23)
Effect of assumptions changes or inputs	135	(82)	(49)	(60)	33
Benefit payments	(49)	(24)	(15)	(30)	(33)
Net change in total OPEB liability	<u>292</u>	<u>119</u>	<u>16</u>	<u>185</u>	<u>118</u>
Total OPEB liability - beginning	<u>2,009</u>	<u>1,890</u>	<u>1,874</u>	<u>1,689</u>	<u>1,571</u>
Total OPEB liability - ending (a)	<u>\$ 2,301</u>	<u>\$ 2,009</u>	<u>\$ 1,890</u>	<u>\$ 1,874</u>	<u>\$ 1,689</u>
Plan fiduciary net position					
Employer contributions	\$ 99	\$ 97	\$ 116	\$ 77	\$ 74
Net investment income	123	55	51	(188)	171
Benefit payments	(49)	(23)	(15)	(30)	(33)
Administrative expenses	(1)	(1)	(1)	(1)	(1)
Net change in plan fiduciary net position	<u>172</u>	<u>128</u>	<u>151</u>	<u>(142)</u>	<u>211</u>
Plan fiduciary net position - beginning	<u>1,606</u>	<u>1,478</u>	<u>1,327</u>	<u>1,469</u>	<u>1,258</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,778</u>	<u>\$ 1,606</u>	<u>\$ 1,478</u>	<u>\$ 1,327</u>	<u>\$ 1,469</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 523</u>	<u>\$ 403</u>	<u>\$ 412</u>	<u>\$ 547</u>	<u>\$ 220</u>
Plan fiduciary net position as a percentage of the total OPEB liability	77.26%	79.93%	78.20%	70.80%	86.98%
Covered payroll	\$ 5,117	\$ 4,322	\$ 3,688	\$ 4,487	\$ 4,319
Net OPEB liability as a percentage of covered payroll	10.22%	9.32%	11.17%	12.19%	5.09%
	FY 19-20	FY 18-19	FY 17-18		
Total OPEB liability					
Service cost	\$ 58	\$ 30	\$ 31		
Interest on total OPEB liability	92	76	71		
Effect of economic/demographic gains or losses	(72)	(40)	27		
Effect of assumptions changes or inputs	(44)	214	(22)		
Benefit payments	(23)	(13)	(36)		
Net change in total OPEB liability	<u>11</u>	<u>267</u>	<u>71</u>		
Total OPEB liability - beginning	<u>1,560</u>	<u>1,293</u>	<u>1,222</u>		
Total OPEB liability - ending (a)	<u>\$ 1,571</u>	<u>\$ 1,560</u>	<u>\$ 1,293</u>		
Plan fiduciary net position					
Employer contributions	\$ 93	\$ 52	\$ 55		
Net investment income	64	77	44		
Benefit payments	(23)	(13)	(6)		
Administrative expenses	(1)	(1)	(1)		
Net change in plan fiduciary net position	<u>133</u>	<u>115</u>	<u>92</u>		
Plan fiduciary net position - beginning	<u>1,125</u>	<u>1,010</u>	<u>918</u>		
Plan fiduciary net position - ending (b)	<u>\$ 1,258</u>	<u>\$ 1,125</u>	<u>\$ 1,010</u>		
Net OPEB liability - ending (a) - (b)	<u>\$ 313</u>	<u>\$ 435</u>	<u>\$ 283</u>		
Plan fiduciary net position as a percentage of the total OPEB liability	80.07%	72.10%	78.08%		
Covered payroll	\$ 3,949	\$ 3,644	\$ 3,351		
Net OPEB liability as a percentage of covered payroll	7.93%	11.94%	8.45%		

Notes to Schedule 8:

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

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited) – (Continued)
For the Fiscal Year Ended June 30, 2025
(In Thousands)

9. HOUSING AUTHORITY'S SCHEDULE OF CONTRIBUTIONS

	<u>FY 24-25</u>	<u>FY 23-24</u>	<u>FY 22-23</u>	<u>FY 21-22</u>	<u>FY 20-21</u>
Actuarially determined contribution	\$ 99	\$ 97	\$ 116	\$ 77	\$ 74
Contributions in relation to the actuarially determined contribution	99	97	116	77	74
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,117	\$ 4,322	\$ 3,688	\$ 4,487	\$ 4,319
Contributions as a percentage of covered payroll	1.93%	2.24%	3.15%	1.72%	1.71%
	<u>FY 19-20</u>	<u>FY 18-19</u>	<u>FY 17-18</u>	<u>FY 16-17</u>	
Actuarially determined contribution	\$ 93	\$ 52	\$ 55	\$ 46	
Contributions in relation to the actuarially determined contribution	93	52	55	46	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 3,949	\$ 3,644	\$ 3,351	\$ 3,314	
Contributions as a percentage of covered payroll	2.36%	1.43%	1.64%	1.39%	

Notes to Schedule 9:

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



General Fund

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 1,484,045	\$ 1,481,593	\$ (2,452)	858,190	\$ (623,403)
Resources (inflows):					
Taxes	1,036,825	1,042,775	5,950	1,032,500	(10,275)
Licenses and permits	8,578	8,578	-	7,734	(844)
Fines, forfeitures and penalties	6,263	6,263	-	5,476	(787)
Use of money and property	37,053	37,053	-	107,760	70,707
Intergovernmental revenues	747,553	793,030	45,477	679,093	(113,937)
Charges for services	206,230	207,097	867	202,090	(5,007)
Interfund revenue	95,988	101,264	5,276	(425)	(101,689)
Miscellaneous revenue	32,449	32,914	465	23,088	(9,826)
Other financing sources	36,837	33,037	(3,800)	15,184	(17,853)
Amounts available for appropriation	2,207,776	2,262,011	54,235	2,072,500	(189,511)
General Government					
Board of Supervisors - Special Projects					
Salaries and benefits	4,935	4,935	-	4,550	385
Services and supplies	718	638	(80)	257	381
Other charges	570	650	80	409	241
Other financing uses	28	28	-	15	13
Intrafund transfers	(250)	(250)	-	(42)	(208)
Total Board of Supervisors - Special Projects	6,001	6,001	-	5,189	812
County Executive/Clerk of the Board					
Salaries and benefits	19,127	18,627	(500)	13,984	4,643
Services and supplies	10,054	10,527	473	3,693	6,834
Other charges	1,939	1,939	-	1,666	273
Capital assets	535	535	-	544	(9)
Other financing uses	134	634	500	200	434
Intrafund transfers	(2,526)	(2,526)	-	(1,445)	(1,081)
Contingencies	5,771	5,771	-	-	5,771
Total County Executive/Clerk of the Board	35,034	35,507	473	18,642	16,865
Special Services					
Salaries and benefits	1,257	1,257	-	735	522
Services and supplies	496	496	-	438	58
Other charges	23,812	26,512	2,700	23,352	3,160
Other financing uses	25	25	-	23	2
Intrafund transfers	(21,326)	(24,026)	(2,700)	(20,880)	(3,146)
Contingencies	545	545	-	-	545
Total Special Services	4,809	4,809	-	3,668	1,141
Assessor-Clerk-Recorder					
Salaries and benefits	32,494	34,224	1,730	29,173	5,051
Services and supplies	9,633	14,749	5,116	9,795	4,954
Other charges	3,297	3,346	49	3,183	163
Capital assets	-	7,398	7,398	2,758	4,640
Other financing uses	1,188	1,188	-	543	645
Intrafund transfers	(4,823)	(17,940)	(13,117)	(11,565)	(6,375)
Contingencies	649	649	-	-	649
Total Assessor-Clerk-Recorder	42,438	43,614	1,176	33,887	9,727

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Controller's Office					
Salaries and benefits	11,594	11,594	-	10,279	1,315
Services and supplies	4,290	4,490	200	3,329	1,161
Other charges	1,922	1,722	(200)	1,118	604
Capital assets	100	100	-	-	100
Other financing uses	194	194	-	182	12
Intrafund transfers	(2,092)	(2,092)	-	(640)	(1,452)
Contingencies	3,830	3,830	-	-	3,830
Total Controller's Office	19,838	19,838	-	14,268	5,570
Tax Collector/Treasurer					
Salaries and benefits	5,848	5,848	-	4,016	1,832
Services and supplies	8,260	8,260	-	3,317	4,943
Other charges	1,812	1,812	-	817	995
Capital assets	50	50	-	38	12
Other financing uses	164	164	-	154	10
Intrafund transfers	(110)	(110)	-	(81)	(29)
Contingencies	267	267	-	-	267
Total Tax Collector/Treasurer	16,291	16,291	-	8,261	8,030
County Attorney					
Salaries and benefits	15,855	15,855	-	14,896	959
Services and supplies	1,216	1,244	28	1,703	(459)
Other charges	856	856	-	628	228
Capital assets	644	407	(237)	464	(57)
Other financing uses	22	612	590	24	588
Intrafund transfers	(3,292)	(3,292)	-	(2,749)	(543)
Contingencies	4,421	4,040	(381)	-	4,040
Total County Attorney	19,722	19,722	-	14,966	4,756
Human Resources					
Salaries and benefits	18,165	18,175	10	17,866	309
Services and supplies	3,551	3,556	5	2,641	915
Other charges	1,456	1,456	-	1,635	(179)
Capital assets	450	450	-	830	(380)
Other financing uses	1,789	1,789	-	85	1,704
Intrafund transfers	(2,139)	(2,139)	-	(2,677)	538
Contingencies	546	546	-	-	546
Total Human Resources	23,818	23,833	15	20,380	3,453
Information Services					
Salaries and benefits	33,972	34,127	155	29,638	4,489
Services and supplies	51,366	47,248	(4,118)	18,964	28,284
Other charges	2,533	2,861	328	2,768	93
Capital assets	3,948	7,738	3,790	4,949	2,789
Other financing uses	341	341	-	305	36
Intrafund transfers	(45,054)	(45,054)	-	(30,568)	(14,486)
Contingencies	5,767	5,767	-	-	5,767
Total Information Services	52,873	53,028	155	26,056	26,972

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Public Works					
Salaries and benefits	41,327	39,826	(1,501)	34,319	5,507
Services and supplies	34,108	35,608	1,500	26,546	9,062
Other charges	13,029	13,029	-	8,185	4,844
Capital assets	136	136	-	90	46
Other financing uses	607	1,108	501	580	528
Intrafund transfers	(42,123)	(42,123)	-	(35,388)	(6,735)
Contingencies	7,511	7,011	(500)	-	7,011
Total Public Works	54,595	54,595	-	34,332	20,263
Non-Departmental Services					
Salaries and benefits	29,079	61,079	32,000	8,891	52,188
Services and supplies	187,905	187,268	(637)	61,060	126,208
Other charges	129,574	176,801	47,227	33,105	143,696
Capital assets	112,811	112,811	-	55,520	57,291
Other financing uses	703,844	703,844	-	54,074	649,770
Intrafund transfers	484	(484)	(968)	(32,116)	31,632
Contingencies	244,025	167,025	(77,000)	-	167,025
Total Non-Departmental Services	1,407,722	1,408,344	622	180,534	1,227,810
Total General Government	1,683,141	1,685,582	2,441	360,183	1,325,399
Public Protection					
Public Safety Communication					
Salaries and benefits	17,231	17,231	-	16,547	684
Services and supplies	2,541	2,443	(98)	1,731	712
Other charges	1,486	1,638	152	1,475	163
Capital assets	509	455	(54)	279	176
Other financing uses	71	71	-	66	5
Intrafund transfers	(1,529)	(1,529)	-	(1,490)	(39)
Contingencies	3,173	3,173	-	-	3,173
Total Public Safety Communication	23,482	23,482	-	18,608	4,874
Agricultural Commissioner					
Salaries and benefits	6,416	6,416	-	5,563	853
Services and supplies	988	896	(92)	573	323
Other charges	763	764	1	701	63
Capital assets	-	91	91	-	91
Other financing uses	8	8	-	658	(650)
Contingencies	814	814	-	-	814
Total Agricultural Commissioner	8,989	8,989	-	7,495	1,494
Grand Jury					
Services and supplies	124	124	-	128	(4)
Total Grand Jury	124	124	-	128	(4)
Message Switch					
Services and supplies	599	599	-	519	80
Other charges	66	66	-	5	61
Capital assets	87	87	-	-	87
Intrafund transfers	(195)	(195)	-	(242)	47
Contingencies	2,434	2,434	-	-	2,434
Total Message Switch	2,991	2,991	-	282	2,709

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
District Attorney					
Salaries and benefits	42,365	42,404	39	37,859	4,545
Services and supplies	3,736	3,736	-	4,050	(314)
Other charges	2,786	2,786	-	2,327	459
Capital assets	1,025	772	(253)	229	543
Other financing uses	125	749	624	153	596
Intrafund transfers	(438)	(438)	-	(428)	(10)
Contingencies	4,923	4,552	(371)	-	4,552
Total District Attorney	54,522	54,561	39	44,190	10,371
Child Support Services					
Salaries and benefits	9,836	9,436	(400)	9,048	388
Services and supplies	223	423	200	272	151
Other charges	712	912	200	685	227
Other financing uses	193	193	-	174	19
Intrafund transfers	(283)	(283)	-	-	(283)
Total Child Support Services	10,681	10,681	-	10,179	502
County Support of Courts					
Services and supplies	1,490	1,490	-	1,428	62
Other charges	17,031	17,031	-	16,218	813
Intrafund transfers	(1,500)	(1,500)	-	-	(1,500)
Total County Support of Courts	17,021	17,021	-	17,646	(625)
Private Defender Program					
Services and supplies	25,624	25,640	16	22,957	2,683
Other charges	29	29	-	24	5
Other financing uses	37	37	-	37	-
Total Private Defender Program	25,690	25,706	16	23,018	2,688
Sheriff					
Salaries and benefits	216,830	217,388	558	214,079	3,309
Services and supplies	48,133	48,868	735	42,518	6,350
Other charges	30,886	30,886	-	24,502	6,384
Capital assets	3,246	7,919	4,673	12,130	(4,211)
Other financing uses	13,392	13,392	-	13,205	187
Intrafund transfers	(6,583)	(6,583)	-	(6,933)	350
Contingencies	3,000	3,000	-	-	3,000
Total Sheriff	308,904	314,870	5,966	299,501	15,369
Probation					
Salaries and benefits	65,400	65,400	-	46,163	19,237
Services and supplies	9,135	9,635	500	6,022	3,613
Other charges	10,024	10,024	-	9,322	702
Capital assets	1,380	880	(500)	227	653
Other financing uses	6,474	6,474	-	7,782	(1,308)
Intrafund transfers	(233)	(233)	-	(225)	(8)
Contingencies	52,958	52,958	-	-	52,958
Total Probation	145,138	145,138	-	69,291	75,847

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Coroner's Office					
Salaries and benefits	3,334	3,414	80	2,988	426
Services and supplies	1,763	1,609	(154)	1,266	343
Other charges	1,073	1,073	-	1,082	(9)
Capital assets	-	204	204	-	204
Other financing uses	63	63	-	77	(14)
Intrafund transfers	(88)	(88)	-	-	(88)
Contingencies	490	490	-	-	490
Total Coroner's Office	6,635	6,765	130	5,413	1,352
Fire Protection					
Services and supplies	16,982	16,947	(35)	12,865	4,082
Other charges	461	496	35	380	116
Capital assets	3,706	4,306	600	1,215	3,091
Other financing uses	216	216	-	702	(486)
Total Fire Protection	21,365	21,965	600	15,162	6,803
Planning					
Salaries and benefits	13,167	13,167	-	11,023	2,144
Services and supplies	5,266	5,116	(150)	4,158	958
Other charges	1,418	1,568	150	1,320	248
Capital assets	-	-	-	54	(54)
Other financing uses	53	53	-	51	2
Intrafund transfers	(891)	(891)	-	(520)	(371)
Contingencies	442	442	-	-	442
Total Planning	19,455	19,455	-	16,086	3,369
Office of Sustainability					
Salaries and benefits	5,111	5,054	(57)	4,494	560
Services and supplies	10,488	9,060	(1,428)	3,964	5,096
Other charges	420	500	80	441	59
Capital assets	-	249	249	-	249
Other financing uses	5,320	6,345	1,025	475	5,870
Intrafund transfers	320	(30)	(350)	-	(30)
Contingencies	2,186	2,186	-	-	2,186
Total Office of Sustainability	23,845	23,364	(481)	9,374	13,990
Department of Emergency Management					
Salaries and benefits	3,371	3,150	(221)	1,738	1,412
Services and supplies	5,275	5,144	(131)	2,758	2,386
Other charges	1,017	1,347	330	1,000	347
Capital assets	-	31	31	170	(139)
Other financing uses	38	43	5	33	10
Intrafund transfers	(878)	(878)	-	-	(878)
Contingencies	331	331	-	-	331
Total Department of Emergency Management	9,154	9,168	14	5,699	3,469
Total Public Protection	677,996	684,280	6,284	542,072	142,208

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Health and Sanitation					
Health Services Administration					
Salaries and benefits	5,957	6,457	500	2,681	3,776
Services and supplies	1,599	2,239	640	(52)	2,291
Other charges	418	418	-	347	71
Capital assets	50	-	(50)	7	(7)
Other financing uses	1	78	77	2	76
Intrafund transfers	(3,744)	(3,744)	-	(2,940)	(804)
Contingencies	421	421	-	-	421
Total Health Services Administration	4,702	5,869	1,167	45	5,824
Health Coverage Unit					
Salaries and benefits	4,578	4,578	-	4,055	523
Services and supplies	832	832	-	755	77
Other charges	389	389	-	191	198
Contingencies	605	605	-	-	605
Total Health Coverage Unit	6,404	6,404	-	5,001	1,403
Health Policy Plan Promotion					
Salaries and benefits	34,734	34,499	(235)	32,085	2,414
Services and supplies	17,038	17,048	10	16,122	926
Other charges	5,092	5,342	250	4,536	806
Capital assets	100	100	-	571	(471)
Other financing uses	2,572	2,572	-	64	2,508
Intrafund transfers	(2,363)	(2,363)	-	(2,304)	(59)
Contingencies	955	955	-	-	955
Total Health Policy Plan Promotion	58,128	58,153	25	51,074	7,079
Health IT					
Salaries and benefits	25,027	25,027	-	11,870	13,157
Services and supplies	11,528	11,405	(123)	3,491	7,914
Other charges	1,271	1,271	-	718	553
Intrafund transfers	2	125	123	3	122
Contingencies	(9,569)	(9,569)	-	(4,563)	(5,006)
Total Health IT	28,259	28,259	-	11,519	16,740
Emergency Medical Services					
Salaries and benefits	2,859	2,661	(198)	2,083	578
Services and supplies	8,592	8,792	200	8,503	289
Other charges	500	500	-	467	33
Intrafund transfers	-	-	-	(120)	120
Contingencies	490	490	-	-	490
Total Emergency Medical Services	12,441	12,443	2	10,933	1,510

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Contributions to Medical Center					
Services and supplies	44	44	-	44	-
Other financing uses	83,127	83,127	-	44,116	39,011
Total Contributions to Medical Center	83,171	83,171	-	44,160	39,011
Environmental Health Services					
Salaries and benefits	17,617	16,867	(750)	15,173	1,694
Services and supplies	2,529	3,029	500	2,861	168
Other charges	2,033	2,283	250	1,977	306
Other financing uses	7	7	-	5	2
Intrafund transfers	(247)	(247)	-	(1,718)	1,471
Contingencies	440	440	-	-	440
Total Environmental Health Services	22,379	22,379	-	18,298	4,081
Behavioral Health Services					
Salaries and benefits	107,993	108,064	71	92,873	15,191
Services and supplies	114,634	136,590	21,956	98,741	37,849
Other charges	92,744	101,598	8,854	72,557	29,041
Capital assets	2,435	2,435	-	-	2,435
Other financing uses	14,654	8,959	(5,695)	3,340	5,619
Intrafund transfers	(3,130)	(3,130)	-	(1,567)	(1,563)
Contingencies	11,632	11,632	-	-	11,632
Total Behavioral Health Services	340,962	366,148	25,186	265,944	100,204
Family Health Services					
Salaries and benefits	34,466	33,505	(961)	30,731	2,774
Services and supplies	5,517	5,517	-	3,728	1,789
Other charges	2,747	2,747	-	2,296	451
Capital assets	212	212	-	141	71
Other financing uses	1,207	2,207	1,000	1,544	663
Intrafund transfers	(2,852)	(2,852)	-	(2,155)	(697)
Contingencies	3,352	3,352	-	-	3,352
Total Family Health Services	44,649	44,688	39	36,285	8,403
Correctional Health Services					
Salaries and benefits	22,603	23,726	1,123	20,667	3,059
Services and supplies	11,286	10,541	(745)	10,759	(218)
Other charges	1,742	1,742	-	1,706	36
Capital assets	378	-	(378)	41	(41)
Intrafund transfers	(387)	(387)	-	(376)	(11)
Contingencies	446	446	-	-	446
Total Correctional Health Services	36,068	36,068	-	32,797	3,271
Total Health and Sanitation					
	637,163	663,582	26,419	476,056	187,526

(Continued)

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final	Increase (Decrease)		
Public Assistance					
Aging & Adult Services					
Salaries and benefits	28,438	28,460	22	24,465	3,995
Services and supplies	5,468	5,468	-	5,216	252
Other charges	18,060	18,060	-	12,340	5,720
Intrafund transfers	(2,412)	(2,412)	-	(2,322)	(90)
Contingencies	7,336	7,336	-	-	7,336
Total Aging & Adult Services	56,890	56,912	22	39,699	17,213
In Home Support Services - Public Authority					
Other charges	3,702	3,702	-	3,702	-
Total In Home Support Services - Public Authority	3,702	3,702	-	3,702	-
Human Services Agency					
Salaries and benefits	145,264	145,337	73	120,834	24,503
Services and supplies	101,664	114,393	12,729	56,496	57,897
Other charges	72,373	72,373	-	86,867	(14,494)
Capital assets	1,762	1,787	25	1,669	118
Other financing uses	1,107	2,542	1,435	975	1,567
Intrafund transfers	(8,928)	(8,928)	-	(3,731)	(5,197)
Contingencies	40,750	40,750	-	-	40,750
Total Human Services Agency	353,992	368,254	14,262	263,110	105,144
Department of Housing					
Salaries and benefits	6,892	6,928	36	5,548	1,380
Services and supplies	1,698	1,698	-	770	928
Other charges	169,668	166,957	(2,711)	80,630	86,327
Capital assets	-	-	-	94	(94)
Other financing uses	-	4,711	4,711	-	4,711
Intrafund transfers	(25,045)	(25,045)	-	(16,183)	(8,862)
Total Department of Housing	153,213	155,249	2,036	70,859	84,390
Total Public Assistance	567,797	584,117	16,320	377,370	206,747
Recreation					
Parks & Recreation					
Salaries and benefits	15,944	15,944	-	13,836	2,108
Services and supplies	11,387	10,455	(932)	6,121	4,334
Other charges	3,029	4,025	996	2,747	1,278
Capital assets	-	255	255	114	141
Other financing uses	13	13	-	643	(630)
Intrafund transfers	(2,305)	(2,305)	-	(823)	(1,482)
Contingencies	2,628	2,628	-	-	2,628
Total Parks & Recreation	30,696	31,015	319	22,638	8,377
Total Recreation	30,696	31,015	319	22,638	8,377
Contingencies					
Contingencies	95,028	95,028	-	-	95,028
Total Contingencies	95,028	95,028	-	-	95,028
Total charges to appropriations	3,691,821	3,743,604	51,783	1,778,319	1,965,285
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 1,152,371	\$ 1,152,371

COUNTY OF SAN MATEO
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (page 111)	\$ 2,072,500
Differences - budget to GAAP:	
Reimbursements are inflows of budgetary resources but are used to offset expenditures for financial reporting purposes.	425
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(87,565)
Receipts from programs that are not budgeted	<u>335,675</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 2,321,035</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)	\$ 1,778,319
Differences - budget to GAAP:	
Expenditures offset by reimbursements for financial reporting purposes are outflow of budgetary appropriations, but are not expenditures for financial reporting purposes.	425
Encumbrances for supplies and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies and services are received for financial reporting purposes.	(533)
Capital outlay for lease and SBITA financing are not outflows of budgetary resources but are expenditures for financial reporting purposes	7,521
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(299,629)
Disbursements for programs that are not budgeted	<u>299,910</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 26)	<u><u>\$ 1,786,013</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, 2025
(In Thousands)

BUDGETARY BASIS OF ACCOUNTING

Under State law, the County is required to adopt a balanced budget by October 2nd of each year. Except for the Joint Powers Financing Authority and sixteen special revenue funds, the County Executive's Office prepares a budget for all County funds on the modified accrual basis of accounting in accordance with California Government Code Sections 29000 and 29143.

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the department, division and fund budget unit level. Budgets are enacted into law through the passage of an Appropriation Ordinance. The ordinance sets limits on expenditures, which cannot be changed except by subsequent amendments to the budget.

Budget appropriation transfers/amendments are used to appropriate new expenditures, unanticipated revenues, or to transfer existing appropriations from one budget unit to another, or between objects within the same budget unit. Transfers of any amount within a budget unit and within a fund, except transfers to/from reserves and contingencies, may be approved by the County Executive and Controller without Board of Supervisors approval, provided that the overall appropriations of budget unit are not increased. All other budget transfers and appropriations must be approved by the Board.

The County uses an encumbrance system as an extension of normal budgetary accounting for all governmental funds except for the JPFA to control expenditures. Under the encumbrance system, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered in order to reserve that portion of applicable appropriations. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end; encumbered appropriations at year-end are carried forward in the ensuing year's budget and reported in the original budget column. The budgets for governmental funds may include an object level known as "intrafund transfers" in the charges to appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund such as the General Fund.

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Annual budgets are prepared using the modified accrual basis of accounting except that (1) current year encumbrances are budgeted as expenditures, (2) reimbursements for amount disbursed on behalf of other governmental funds are reported as resources and related expenditures as charges to the appropriations, (3) certain transactions are accounted for in different periods between budgetary and GAAP reporting basis, and (4) transactions from certain unbudgeted programs are reported in GAAP reporting basis.



Combining and Individual Fund Statements and Schedules



Nonmajor Governmental Funds

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025
(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 183,590	\$ -	\$ 182,537	\$ 366,127
Restricted cash and investments	-	31,453	-	31,453
Receivables (net):				
Accounts	174	-	23	197
Interest	1,955	249	1,679	3,883
Taxes	922	-	-	922
Due from other funds	1,124	-	924	2,048
Due from other governmental agencies	6,524	-	31	6,555
Prepaid items	71	-	42	113
Inventories	315	-	-	315
Total assets	<u>\$ 194,675</u>	<u>\$ 31,702</u>	<u>\$ 185,236</u>	<u>\$ 411,613</u>
LIABILITIES				
Accounts payable	\$ 10,801	\$ -	\$ 29,333	\$ 40,134
Accrued salaries and benefits	454	-	-	454
Accrued liabilities	2	-	-	2
Due to other funds	1,689	-	28	1,717
Unearned revenues	800	-	23	823
Deposits	14	-	-	14
Advances from other funds	5,650	-	-	5,650
Total liabilities	<u>19,410</u>	<u>-</u>	<u>29,384</u>	<u>48,794</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>3,789</u>	<u>-</u>	<u>31</u>	<u>3,820</u>
Total deferred inflows of resources	<u>3,789</u>	<u>-</u>	<u>31</u>	<u>3,820</u>
FUND BALANCES				
Nonspendable	386	-	42	428
Restricted	169,109	31,702	-	200,811
Assigned	1,981	-	155,779	157,760
Total fund balances	<u>171,476</u>	<u>31,702</u>	<u>155,821</u>	<u>358,999</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 194,675</u>	<u>\$ 31,702</u>	<u>\$ 185,236</u>	<u>\$ 411,613</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, 2025
(In Thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ 24,569	\$ -	\$ 15,716	\$ 40,285
Licenses and permits	3,764	-	-	3,764
Intergovernmental	70,753	-	8,082	78,835
Charges for services	31,986	-	16,365	48,351
Fines, forfeitures and penalties	1,314	-	-	1,314
Rents and concessions	80	-	-	80
Investment income	10,597	1,521	10,229	22,347
Other	710	-	8	718
Total revenues	<u>143,773</u>	<u>1,521</u>	<u>50,400</u>	<u>195,694</u>
Expenditures:				
Current:				
General government	1,042	-	-	1,042
Public protection	4,666	-	-	4,666
Public ways and facilities	37,781	-	-	37,781
Health and sanitation	31,375	-	-	31,375
Public assistance	40,597	-	-	40,597
Capital outlay	8,158	-	126,010	134,168
Debt service:				
Principal	172	-	-	172
Interest	52	-	-	52
Total expenditures	<u>123,843</u>	<u>-</u>	<u>126,010</u>	<u>249,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,930</u>	<u>1,521</u>	<u>(75,610)</u>	<u>(54,159)</u>
Other financing sources (uses):				
Subscriptions	-	-	1,104	1,104
Transfers in	10,878	40,592	130,954	182,424
Transfers out	(21,098)	(49,471)	(74,201)	(144,770)
Total other financing sources (uses)	<u>(10,220)</u>	<u>(8,879)</u>	<u>57,857</u>	<u>38,758</u>
Net change in fund balances	9,710	(7,358)	(17,753)	(15,401)
Fund balances - beginning	<u>161,766</u>	<u>39,060</u>	<u>173,574</u>	<u>374,400</u>
Fund balances - end	<u>\$ 171,476</u>	<u>\$ 31,702</u>	<u>\$ 155,821</u>	<u>\$ 358,999</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, 2025
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
ASSETS						
Cash and investments	\$ 46,070	\$ -	\$ 22,940	\$ 45,840	\$ 28,552	\$ 2,906
Receivables (net):						
Accounts	-	-	45	113	5	11
Interest	392	120	227	482	285	26
Taxes	-	438	330	65	70	-
Due from other funds	918	97	4	97	8	-
Due from other governmental agencies	2,824	-	5	372	525	-
Loan receivable						
Prepaid items	1	-	18	42	-	-
Inventories	315	-	-	-	-	-
Total assets	<u>\$ 50,520</u>	<u>\$ 655</u>	<u>\$ 23,569</u>	<u>\$ 47,011</u>	<u>\$ 29,445</u>	<u>\$ 2,943</u>
LIABILITIES						
Accounts payable	\$ 4,520	\$ 127	\$ 545	\$ 5,345	\$ 17	\$ 127
Accrued salaries and benefits	297	-	4	35	-	-
Accrued liabilities	-	-	-	-	-	-
Due to other funds	65	-	1	13	1	406
Unearned revenues	-	374	282	56	60	11
Deposits	9	-	5	-	-	-
Advances from other funds	147	-	55	5,366	82	-
Total liabilities	<u>5,038</u>	<u>501</u>	<u>892</u>	<u>10,815</u>	<u>160</u>	<u>544</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	42	37	378	532	-
Total deferred inflows of resources	<u>-</u>	<u>42</u>	<u>37</u>	<u>378</u>	<u>532</u>	<u>-</u>
FUND BALANCES						
Nonspendable	316	-	18	42	-	-
Restricted	43,185	112	22,622	35,776	28,753	2,399
Assigned	1,981	-	-	-	-	-
Total fund balances	<u>45,482</u>	<u>112</u>	<u>22,640</u>	<u>35,818</u>	<u>28,753</u>	<u>2,399</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,520</u>	<u>\$ 655</u>	<u>\$ 23,569</u>	<u>\$ 47,011</u>	<u>\$ 29,445</u>	<u>\$ 2,943</u>

(Continued)

COUNTY OF SAN MATEO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(In Thousands)

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 22,181	\$ 4,319	\$ 3,192	\$ 4,240	\$ 3,350	\$ 183,590	ASSETS
-	-	-	-	-	174	Cash and investments
275	49	35	30	34	1,955	Receivables (net):
-	-	-	-	19	922	Accounts
-	-	-	-	-	1,124	Interest
-	-	-	2,726	72	6,524	Taxes
10	-	-	-	-	71	Due from other funds
-	-	-	-	-	315	Due from other governmental agencies
\$ 22,466	\$ 4,368	\$ 3,227	\$ 6,996	\$ 3,475	\$ 194,675	Prepaid items
						Inventories
						Total assets
						LIABILITIES
\$ 25	\$ -	\$ 87	\$ 8	\$ -	\$ 10,801	Accounts payable
-	-	50	68	-	454	Accrued salaries and benefits
-	-	2	-	-	2	Accrued liabilities
1,200	-	1	2	-	1,689	Due to other funds
-	-	-	-	17	800	Unearned revenues
-	-	-	-	-	14	Deposits
-	-	-	-	-	5,650	Advances from other funds
1,225	-	140	78	17	19,410	Total liabilities
						DEFERRED INFLOWS OF RESOURCES
-	-	-	2,726	74	3,789	Unavailable revenue
-	-	-	2,726	74	3,789	Total deferred inflows of resources
						FUND BALANCES
10	-	-	-	-	386	Nonspendable
21,231	4,368	3,087	4,192	3,384	169,109	Restricted
-	-	-	-	-	1,981	Assigned
21,241	4,368	3,087	4,192	3,384	171,476	Total fund balances
\$ 22,466	\$ 4,368	\$ 3,227	\$ 6,996	\$ 3,475	\$ 194,675	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, 2025
(In Thousands)

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Lighting Districts	Emergency Medical Services
Revenues						
Taxes	\$ 10	\$ 8,447	\$ 6,346	\$ 1,952	\$ 2,369	\$ -
Licenses and permits	863	-	197	-	-	-
Intergovernmental	31,891	2,794	26	232	4	-
Charges for services	3,194	110	2,335	24,612	162	-
Fines, forfeitures and penalties	-	-	-	-	-	1,313
Rents and concessions	41	39	-	-	-	-
Investment income	2,478	259	1,237	2,511	1,581	146
Other	87	126	-	2	5	8
Total revenues	<u>38,564</u>	<u>11,775</u>	<u>10,141</u>	<u>29,309</u>	<u>4,121</u>	<u>1,467</u>
Expenditures						
Current:						
General government	-	-	287	-	748	-
Public protection	-	-	4,641	-	-	-
Public ways and facilities	37,159	-	-	-	-	-
Health and sanitation	-	-	2,261	23,758	-	1,114
Public assistance	-	-	-	-	-	-
Capital outlay	7,667	-	-	491	-	-
Debt service:						
Principal	-	-	-	163	-	-
Interest	-	-	-	52	-	-
Total expenditures	<u>44,826</u>	<u>-</u>	<u>7,189</u>	<u>24,464</u>	<u>748</u>	<u>1,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,262)</u>	<u>11,775</u>	<u>2,952</u>	<u>4,845</u>	<u>3,373</u>	<u>353</u>
Other financing sources (uses)						
Transfers in	6,876	-	-	-	-	-
Transfers out	(35)	(13,102)	(8)	(4)	-	-
Total other financing sources (uses)	<u>6,841</u>	<u>(13,102)</u>	<u>(8)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	579	(1,327)	2,944	4,841	3,373	353
Fund balances - beginning	<u>44,903</u>	<u>1,439</u>	<u>19,696</u>	<u>30,977</u>	<u>25,380</u>	<u>2,046</u>
Fund balances - end	<u>\$ 45,482</u>	<u>\$ 112</u>	<u>\$ 22,640</u>	<u>\$ 35,818</u>	<u>\$ 28,753</u>	<u>\$ 2,399</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, 2025
(In Thousands)

County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	IHSS Public Authority	Other Special Revenue	Total	
\$ 4,935	\$ -	\$ -	\$ -	\$ 510	\$ 24,569	Revenues
-	-	2,704	-	-	3,764	Taxes
-	-	21	35,784	1	70,753	Licenses and permits
-	411	276	879	7	31,986	Intergovernmental
-	-	-	-	1	1,314	Charges for services
-	-	-	-	-	80	Fines, forfeitures and penalties
1,423	271	216	288	187	10,597	Rents and concessions
-	-	57	425	-	710	Investment income
<u>6,358</u>	<u>682</u>	<u>3,274</u>	<u>37,376</u>	<u>706</u>	<u>143,773</u>	Other
						Total revenues
-	-	-	-	7	1,042	Expenditures
-	-	-	-	25	4,666	Current:
383	-	-	-	239	37,781	General government
-	-	4,238	-	4	31,375	Public protection
-	-	-	40,538	59	40,597	Public ways and facilities
-	-	-	-	-	8,158	Health and sanitation
-	-	-	-	9	172	Public assistance
-	-	-	-	-	52	Capital outlay
<u>383</u>	<u>-</u>	<u>4,238</u>	<u>40,538</u>	<u>343</u>	<u>123,843</u>	Debt service:
						Principal
						Interest
						Total expenditures
<u>5,975</u>	<u>682</u>	<u>(964)</u>	<u>(3,162)</u>	<u>363</u>	<u>19,930</u>	Excess (deficiency) of revenues over (under) expenditures
-	-	300	3,702	-	10,878	Other financing sources (uses)
(7,208)	(599)	(142)	-	-	(21,098)	Transfers in
<u>(7,208)</u>	<u>(599)</u>	<u>158</u>	<u>3,702</u>	<u>-</u>	<u>(10,220)</u>	Transfers out
						Total other financing sources (uses)
(1,233)	83	(806)	540	363	9,710	Net change in fund balances
<u>22,474</u>	<u>4,285</u>	<u>3,893</u>	<u>3,652</u>	<u>3,021</u>	<u>161,766</u>	Fund balances - beginning
<u>\$ 21,241</u>	<u>\$ 4,368</u>	<u>\$ 3,087</u>	<u>\$ 4,192</u>	<u>\$ 3,384</u>	<u>\$ 171,476</u>	Fund balances - end

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 41,534	\$ 41,534	\$ -	\$ 44,903	\$ 3,369
Resources (inflows):					
Taxes	12	12	-	10	(2)
Licenses and permits	700	700	-	863	163
Use of money and property	96	96	-	2,519	2,423
Intergovernmental revenues	42,562	42,562	-	31,891	(10,671)
Charges for services	109	109	-	3,194	3,085
Interfund revenue	3,806	3,806	-	-	(3,806)
Miscellaneous revenues	15	15	-	87	72
Other financing sources	14,904	14,904	-	6,876	(8,028)
Amounts available for appropriation	62,204	62,204	-	45,440	(16,764)
Charges to appropriations (outflows):					
Public ways and facilities					
Salaries and benefits	13,811	13,811	-	13,060	751
Services and supplies	40,645	40,645	-	21,697	18,948
Other charges	2,658	2,658	-	2,402	256
Capital assets	26,070	26,070	-	7,667	18,403
Other financing uses	35	35	-	35	-
Contingencies	20,519	20,519	-	-	20,519
Total charges to appropriations	103,738	103,738	-	44,861	58,877
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 45,482	\$ 45,482

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 45,440
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(6,876)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 38,564

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 44,861
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(35)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 44,826

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Fire Protection Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 1,436	\$ 1,436	\$ -	\$ 1,439	\$ 3
Resources (inflows):					
Taxes	11,653	11,653	-	8,447	(3,206)
Use of money and property	162	162	-	298	136
Intergovernmental revenues	2,816	2,816	-	2,794	(22)
Charges for services	306	306	-	110	(196)
Miscellaneous revenues	455	455	-	126	(329)
Amounts available for appropriation	15,392	15,392	-	11,775	(3,617)
Charges to appropriations (outflows):					
Public protection					
Other financing uses	14,323	14,323	-	13,102	1,221
Non-general fund reserves	2,505	2,505	-	-	2,505
Total charges to appropriations	16,828	16,828	-	13,102	3,726
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 112	\$ 112

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,102
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(13,102)
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, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 20,352</u>	<u>\$ 20,423</u>	<u>\$ 71</u>	<u>\$ 19,696</u>	<u>\$ (727)</u>
Resources (inflows):					
Taxes	6,572	6,572	-	6,346	(226)
Licenses and permits	178	178	-	197	19
Use of money and property	209	209	-	1,237	1,028
Intergovernmental revenues	16	16	-	26	10
Charges for services	2,086	2,086	-	2,335	249
Miscellaneous revenues	50	50	-	-	(50)
Amounts available for appropriation	<u>9,111</u>	<u>9,111</u>	<u>-</u>	<u>10,141</u>	<u>1,030</u>
Charges to appropriations (outflows):					
General government, public protection, health and sanitation, and public assistance					
Salaries and benefits	260	260	-	164	96
Services and supplies	9,013	9,013	-	6,999	2,014
Other charges	93	164	71	26	138
Capital assets	1,225	1,225	-	-	1,225
Intrafund transfers	83	83	-	-	83
Contingencies	1,454	1,454	-	-	1,454
Non-general fund reserves	17,335	17,335	-	-	17,335
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>(8)</u>
Total charges to appropriations	<u>29,463</u>	<u>29,534</u>	<u>71</u>	<u>7,197</u>	<u>22,337</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,640</u>	<u>\$ 22,640</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,197
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(8)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 7,189</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Sewer and Sanitation Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 37,889</u>	<u>\$ 39,055</u>	<u>\$ 1,166</u>	<u>\$ 30,977</u>	<u>\$ (8,078)</u>
Resources (inflows):					
Taxes	1,087	1,087	-	1,952	865
Use of money and property	354	354	-	2,511	2,157
Intergovernmental revenues	3	3	-	232	229
Charges for services	20,545	20,545	-	24,612	4,067
Interfund revenue	4,103	4,103	-	-	(4,103)
Miscellaneous revenues	-	-	-	2	2
Other financing sources	115	115	-	-	(115)
Amounts available for appropriation	<u>26,207</u>	<u>26,207</u>	<u>-</u>	<u>29,309</u>	<u>3,102</u>
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	1,615	1,615	-	1,483	132
Services and supplies	24,492	24,492	-	19,513	4,979
Other charges	7,722	8,888	1,166	2,977	5,911
Capital assets	7,500	7,500	-	491	7,009
Other financing uses	111	111	-	4	107
Contingencies	22,441	22,441	-	-	22,441
Non-general fund reserves	215	215	-	-	215
Total charges to appropriations	<u>64,096</u>	<u>65,262</u>	<u>1,166</u>	<u>24,468</u>	<u>40,794</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,818</u>	<u>\$ 35,818</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 24,468
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>\$ 24,464</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Lighting Districts Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 25,673</u>	<u>\$ 25,713</u>	<u>\$ 40</u>	<u>\$ 25,380</u>	<u>\$ (333)</u>
Resources (inflows):					
Taxes	1,240	1,240	-	2,369	1,129
Use of money and property	220	220	-	1,581	1,361
Intergovernmental revenues	3	3	-	4	1
Interfund revenue	256	256	-	-	(256)
Charges for services	-	-	-	162	162
Miscellaneous revenues	-	-	-	5	5
Amounts available for appropriation	<u>1,719</u>	<u>1,719</u>	<u>-</u>	<u>4,121</u>	<u>2,402</u>
Charges to appropriations (outflows):					
General government					
Services and supplies	1,863	1,863	-	723	1,140
Other charges	28	68	40	25	43
Capital assets	900	900	-	-	900
Contingencies	24,601	24,601	-	-	24,601
Total charges to appropriations	<u>27,392</u>	<u>27,432</u>	<u>40</u>	<u>748</u>	<u>26,684</u>
Budgetary fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,753</u></u>	<u><u>\$ 28,753</u></u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 2,063	\$ 2,063	\$ -	\$ 2,046	\$ (17)
Resources (inflows):					
Fines, forfeitures and penalties	1,455	1,455	-	1,313	(142)
Use of money and property	28	28	-	146	118
Miscellaneous revenues	27	27	-	8	(19)
Amounts available for appropriation	1,510	1,510	-	1,467	(43)
Charges to appropriations (outflows):					
Health and sanitation					
Services and supplies	2,565	2,565	-	1,114	1,451
Non-general fund reserves	1,008	1,008	-	-	1,008
Total charges to appropriations	3,573	3,573	-	1,114	2,459
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 2,399	\$ 2,399

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County Half-Cent Transportation Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 22,669</u>	<u>\$ 22,669</u>	<u>\$ -</u>	<u>\$ 22,474</u>	<u>\$ (195)</u>
Resources (inflows):					
Taxes	4,997	4,997	-	4,935	(62)
Use of money and property	<u>50</u>	<u>50</u>	<u>-</u>	<u>1,423</u>	<u>1,373</u>
Amounts available for appropriation	<u>5,047</u>	<u>5,047</u>	<u>-</u>	<u>6,358</u>	<u>1,311</u>
Charges to appropriations (outflows):					
Public ways and facilities					
Services and supplies	11,058	11,058	-	176	10,882
Other charges	178	178	-	207	(29)
Other financing uses	13,728	13,728	-	7,208	6,520
Contingencies	<u>2,752</u>	<u>2,752</u>	<u>-</u>	<u>-</u>	<u>2,752</u>
Total charges to appropriations	<u>27,716</u>	<u>27,716</u>	<u>-</u>	<u>7,591</u>	<u>20,125</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,241</u>	<u>\$ 21,241</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,591
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(7,208)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 383</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County-Wide Road Improvement Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 4,327	\$ 4,327	\$ -	\$ 4,285	\$ (42)
Resources (inflows):					
Use of money and property	25	25	-	271	246
Charges for services	475	475	-	411	(64)
Amounts available for appropriation	500	500	-	682	182
Charges to appropriations (outflows):					
Public ways and facilities					
Other financing uses	2,375	2,375	-	599	1,776
Non-general fund reserves	2,452	2,452	-	-	2,452
Total charges to appropriations	4,827	4,827	-	599	4,228
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 4,368	\$ 4,368

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 599
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	(599)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ -

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Solid Waste Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	<u>\$ 3,755</u>	<u>\$ 3,029</u>	<u>\$ (726)</u>	<u>\$ 3,893</u>	<u>\$ 864</u>
Resources (inflows):					
Licenses and permits	6,572	6,572	-	2,704	(3,868)
Use of money and property	209	209	-	216	7
Intergovernmental revenues	183	183	-	21	(162)
Charges for services	2,086	2,086	-	276	(1,810)
Miscellaneous revenues	4	4	-	57	53
Other financing sources	470	470	-	300	(170)
Amounts available for appropriation	<u>9,524</u>	<u>9,524</u>	<u>-</u>	<u>3,574</u>	<u>(5,950)</u>
Charges to appropriations (outflows):					
Health and sanitation					
Salaries and benefits	260	260	-	2,299	(2,039)
Services and supplies	9,013	9,013	-	1,731	7,282
Other charges	173	238	65	208	30
Other financing uses	1,225	1,225	-	142	1,083
Intrafund transfers	41	41	-	-	41
Non-general fund reserves	<u>2,567</u>	<u>1,776</u>	<u>(791)</u>	<u>-</u>	<u>1,776</u>
Total charges to appropriations	<u>13,279</u>	<u>12,553</u>	<u>(726)</u>	<u>4,380</u>	<u>8,173</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,087</u>	<u>\$ 3,087</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,574
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(300)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,274</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,380
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(142)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 4,238</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
In-Home Supportive Services Public Authority Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 5,899	\$ 5,899	\$ -	\$ 3,652	\$ (2,247)
Resources (inflows):					
Use of money and property	101	101	-	288	187
Intergovernmental revenues	35,195	36,533	1,338	35,784	(749)
Charges for services	-	-	-	879	879
Interfund revenue	4,533	4,533	-	-	(4,533)
Miscellaneous revenues	416	416	-	425	9
Other financing sources	-	-	-	3,702	3,702
Amounts available for appropriation	40,245	41,583	1,338	41,078	(505)
Charges to appropriations (outflows):					
Public assistance					
Salaries and benefits	2,783	2,783	-	2,674	109
Services and supplies	8,260	9,898	1,638	9,637	261
Other charges	29,202	28,902	(300)	28,227	675
Non-general fund reserves	5,899	5,899	-	-	5,899
Total charges to appropriations	46,144	47,482	1,338	40,538	6,944
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 4,192	\$ 4,192

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 41,078
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	\$ 37,376

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<u>Highlands Landscape & Drainage Maintenance District</u>					
Budgetary fund balance, July 1	\$ 1,399	\$ 1,399	\$ -	\$ 625	\$ (774)
Resources (inflows):					
Taxes	59	59	-	-	(59)
Use of money and property	13	13	-	187	174
Charges for services	7	7	-	7	-
Intergovernmental	-	-	-	1	1
Amounts available for appropriation	79	79	-	195	116
Charges to appropriations (outflows):					
General Government					
Services and supplies	90	90	-	70	20
Contingencies	1,126	1,126	-	-	1,126
Non-general fund reserves	262	262	-	-	262
Total charges to appropriations	1,478	1,478	-	70	1,408
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 750	\$ 750
<u>Los Trancos County Maintenance Fund</u>					
Budgetary fund balance, July 1	\$ 1,525	\$ 1,525	\$ -	\$ 1,426	\$ (99)
Resources (inflows):					
Taxes	205	205	-	510	305
Use of money and property	5	5	-	-	(5)
Intergovernmental	1	1	-	-	(1)
Amounts available for appropriation	211	211	-	510	299
Charges to appropriations (outflows):					
Public Ways and Facilities					
Services and supplies	463	463	-	239	224
Other Charges	9	9	-	9	-
Non-general fund reserves	1,264	1,264	-	-	1,264
Total charges to appropriations	1,736	1,736	-	248	1,488
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 1,688	\$ 1,688
<u>Fish and Game Fund</u>					
Budgetary fund balance, July 1	\$ 61	\$ 61	\$ -	\$ 52	\$ (9)
Resources (inflows):					
Fines, forfeitures & penalties	1	1	-	-	(1)
Use of money and property	1	1	-	1	-
Amounts available for appropriation	2	2	-	1	(1)
Charges to appropriations (outflows):					
Public Protection					
Services and supplies	63	63	-	25	38
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 28	\$ 28

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
<u>Total - Other Special Revenue Funds</u>					
Budgetary fund balance, July 1	\$ 2,985	\$ 2,985	\$ -	\$ 2,103	\$ (882)
Resources (inflows)	292	292	-	706	414
Charges to appropriations (outflows)	<u>3,277</u>	<u>3,277</u>	<u>-</u>	<u>343</u>	<u>2,934</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,466</u>	<u>\$ 2,466</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, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 24,750	\$ 24,750	\$ -	\$ 39,060	\$ 14,310
Resources (inflows):					
Use of money and property	-	-	-	1,521	1,521
Other financing sources	48,066	48,066	-	40,592	(7,474)
Amount available for appropriation	<u>48,066</u>	<u>48,066</u>	<u>-</u>	<u>42,113</u>	<u>(5,953)</u>
Charges to appropriations (outflows):					
Other charges	47,723	47,723	-	-	47,723
Other financing uses	9,986	9,986	-	49,471	(39,485)
Non-general fund reserves	15,107	15,107	-	-	15,107
Total charges to appropriations	<u>72,816</u>	<u>72,816</u>	<u>-</u>	<u>49,471</u>	<u>23,345</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,702</u>	<u>\$ 31,702</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 42,113
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(40,592)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 1,521</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 49,471
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(49,471)</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, 2025
(In Thousands)

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
ASSETS					
Cash and investments	\$ 97,680	\$ 5,202	\$ 529	\$ 79,126	\$ 182,537
Accounts receivable	-	12	11	-	23
Interest receivable	992	50	1	636	1,679
Due from other funds	-	-	-	924	924
Due from other governmental agencies	-	-	-	31	31
Prepaid items	-	-	-	42	42
Total assets	<u>\$ 98,672</u>	<u>\$ 5,264</u>	<u>\$ 541</u>	<u>\$ 80,759</u>	<u>\$ 185,236</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 29,333	\$ 29,333
Due to other funds	-	-	-	28	28
Unearned revenues	-	12	11	-	23
Total liabilities	<u>-</u>	<u>12</u>	<u>11</u>	<u>29,361</u>	<u>29,384</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	31	31
FUND BALANCES					
Nonspendable	-	-	-	42	42
Assigned	98,672	5,252	530	51,325	155,779
Total fund balances	<u>98,672</u>	<u>5,252</u>	<u>530</u>	<u>51,367</u>	<u>155,821</u>
Total liabilities, and fund balances	<u>\$ 98,672</u>	<u>\$ 5,264</u>	<u>\$ 541</u>	<u>\$ 80,759</u>	<u>\$ 185,236</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, 2025
(In Thousands)

	County One-Time Expense	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 15,716	\$ 15,716
Intergovernmental	-	-	-	8,082	8,082
Charges for services	-	780	1,496	14,089	16,365
Investment income/(loss)	5,652	272	-	4,305	10,229
Other	-	-	-	8	8
Total revenues	<u>5,652</u>	<u>1,052</u>	<u>1,496</u>	<u>42,200</u>	<u>50,400</u>
Expenditures:					
Capital outlay	-	-	-	126,010	126,010
Excess (deficiency) of revenues over (under) expenditures	<u>5,652</u>	<u>1,052</u>	<u>1,496</u>	<u>(83,810)</u>	<u>(75,610)</u>
Other financing sources (uses)					
Subscriptions	-	-	-	1,104	1,104
Transfers in	-	-	-	130,954	130,954
Transfers out	(2,000)	-	(1,137)	(71,064)	(74,201)
Total other financing sources (uses)	<u>(2,000)</u>	<u>-</u>	<u>(1,137)</u>	<u>60,994</u>	<u>57,857</u>
Net change in fund balances	3,652	1,052	359	(22,816)	(17,753)
Fund balances - beginning	<u>95,020</u>	<u>4,200</u>	<u>171</u>	<u>74,183</u>	<u>173,574</u>
Fund balances - end	<u>\$ 98,672</u>	<u>\$ 5,252</u>	<u>\$ 530</u>	<u>\$ 51,367</u>	<u>\$ 155,821</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
County One-Time Expense Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 95,797	\$ 95,797	\$ -	\$ 95,020	\$ (777)
Resources (inflows):					
Use of money and property	3,149	3,149	-	5,652	2,503
Charges to appropriations (outflows):					
Services and supplies	5,000	5,000	-	-	5,000
Capital assets	5,000	5,000	-	-	5,000
Other financing uses	36,160	36,160	-	2,000	34,160
Non-general fund reserves	52,786	52,786	-	-	52,786
Total charges to appropriations	<u>98,946</u>	<u>98,946</u>	<u>-</u>	<u>2,000</u>	<u>96,946</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,672</u>	<u>\$ 98,672</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,000
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financing reporting purposes.	<u>(2,000)</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, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 4,234	\$ 4,234	\$ -	\$ 4,200	\$ (34)
Resources (inflows):					
Use of money and property	60	60	-	272	212
Charges for services	600	600	-	780	180
Amounts available for appropriation	660	660	-	1,052	392
Charges to appropriations (outflows):					
Other financing uses	660	660	-	-	660
Non-general fund reserves	4,234	4,234	-	-	4,234
Total charges to appropriations	4,894	4,894	-	-	4,894
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ 5,252	\$ 5,252

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Courthouse Construction Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 172	\$ 172	\$ -	\$ 171	\$ (1)
Resources (inflows):					
Charges for services	600	600	-	1,496	896
Interfund revenue	715	715	-	-	(715)
Amounts available for appropriation	<u>1,315</u>	<u>1,315</u>	<u>-</u>	<u>1,496</u>	<u>181</u>
Charges to appropriations (outflows):					
Other financing uses	1,315	1,315	-	1,137	178
Contingencies	120	120	-	-	120
Non-general fund reserves	52	52	-	-	52
Total charges to appropriations	<u>1,487</u>	<u>1,487</u>	<u>-</u>	<u>1,137</u>	<u>350</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530</u>	<u>\$ 530</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,137
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,137)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ -</u>

COUNTY OF SAN MATEO
Budgetary Comparison Schedule
Other Capital Projects Fund
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final	Increase (Decrease)		
Budgetary fund balance, July 1	\$ 89,328	\$ 89,328	\$ -	\$ 74,183	\$ (15,145)
Resources (inflows):					
Taxes	46,265	46,265	-	15,716	(30,549)
Use of money and property	10	10	-	4,305	4,295
Intergovernmental revenues	17,434	17,434	-	8,082	(9,352)
Charges for services	-	-	-	14,089	14,089
Interfund revenues	34,836	34,836	-	-	(34,836)
Miscellaneous revenues	7,301	7,301	-	8	(7,293)
Other financing sources	319,505	320,105	600	130,954	(189,151)
Amounts available for appropriation	<u>425,351</u>	<u>425,951</u>	<u>600</u>	<u>173,154</u>	<u>(252,797)</u>
Charges to appropriations (outflows):					
Services and supplies	37,564	101,636	64,072	-	101,636
Other charges	1,117	1,668	551	-	1,668
Capital assets	401,633	337,506	(64,127)	124,906	212,600
Contingencies	9,113	9,113	-	-	9,113
Other financing uses	41,609	41,713	104	71,064	(29,351)
Non-general fund reserves	23,643	23,643	-	-	23,643
Total charges to appropriations	<u>514,679</u>	<u>515,279</u>	<u>600</u>	<u>195,970</u>	<u>319,309</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,367</u>	<u>\$ 51,367</u>

Explanation of Differences between Budgetary Inflows and GAAP Revenues:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 173,154
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(130,954)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 42,200</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 195,970
Differences - budget to GAAP:	
Subscriptions are not outflows of budgetary resources but are expenditures for financial reporting purposes	\$ 1,104
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(71,064)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital projects funds	<u>\$ 126,010</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, 2025
(In Thousands)

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 3,748	\$ 1,212	\$ 4,960
Receivables (net):			
Accounts	11	22	33
Interest	46	12	58
Lease receivable	139	-	139
Due from other funds	20	93	113
Prepaid items	77	-	77
Total current assets	<u>4,041</u>	<u>1,339</u>	<u>5,380</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	8,633	1,334	9,967
Depreciable, net	<u>30,553</u>	<u>6,020</u>	<u>36,573</u>
Total noncurrent assets	<u>39,186</u>	<u>7,354</u>	<u>46,540</u>
Total assets	<u>43,227</u>	<u>8,693</u>	<u>51,920</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related items	595	157	752
OPEB-related items	<u>240</u>	<u>61</u>	<u>301</u>
Total deferred outflows of resources	<u>835</u>	<u>218</u>	<u>1,053</u>
LIABILITIES			
Current liabilities:			
Accounts payable	196	17	213
Accrued interest payable	-	77	77
Accrued salaries and benefits	46	12	58
Unearned revenues	40	-	40
Deposits	1	-	1
Notes payable - current	-	90	90
Compensated absences - current	<u>165</u>	<u>30</u>	<u>195</u>
Total current liabilities	<u>448</u>	<u>226</u>	<u>674</u>
Noncurrent liabilities:			
Net pension liability - noncurrent	1,143	350	1,493
Net OPEB liability - noncurrent	168	49	217
Notes payable - noncurrent	-	1,692	1,692
Compensated absences - noncurrent	<u>96</u>	<u>7</u>	<u>103</u>
Total noncurrent liabilities	<u>1,407</u>	<u>2,098</u>	<u>3,505</u>
Total liabilities	<u>1,855</u>	<u>2,324</u>	<u>4,179</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	79	1	80
OPEB related	76	21	97
Lease related	<u>132</u>	<u>-</u>	<u>132</u>
Total deferred inflows of resources	<u>287</u>	<u>22</u>	<u>309</u>
NET POSITION			
Net investment in capital assets	39,186	5,572	44,758
Unrestricted	<u>2,734</u>	<u>993</u>	<u>3,727</u>
Total net position	<u>\$ 41,920</u>	<u>\$ 6,565</u>	<u>\$ 48,485</u>

COUNTY OF SAN MATEO
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 175	\$ 1,555	\$ 1,730
Rent and concessions	3,456	-	3,456
Miscellaneous	298	47	345
Total operating revenues	<u>3,929</u>	<u>1,602</u>	<u>5,531</u>
Operating expenses:			
Salaries and benefits	1,866	526	2,392
Pension expense	464	93	557
OPEB expense	61	14	75
General and administrative	3,024	491	3,515
Depreciation	872	315	1,187
Total operating expenses	<u>6,287</u>	<u>1,439</u>	<u>7,726</u>
Operating gain/(loss)	<u>(2,358)</u>	<u>163</u>	<u>(2,195)</u>
Nonoperating revenues (expenses):			
State and federal grants	276	-	276
Investment income	309	62	371
Interest expense	-	(84)	(84)
Total nonoperating revenues (expenses)	<u>585</u>	<u>(22)</u>	<u>563</u>
Change in net position	<u>(1,773)</u>	<u>141</u>	<u>(1,632)</u>
Net position - beginning as previously reported	43,785	6,438	50,223
Cumulative effect of accounting change	(92)	(14)	(106)
Net position - beginning, as restated	<u>43,693</u>	<u>6,424</u>	<u>50,117</u>
Net position - end	<u>\$ 41,920</u>	<u>\$ 6,565</u>	<u>\$ 48,485</u>

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Airports	Coyote Point Marina	Total
Cash flows from operating activities			
Cash receipts from customers	\$ 3,967	\$ 1,509	\$ 5,476
Cash paid to suppliers of goods and services	(3,334)	(496)	(3,830)
Cash paid to employees for services	(2,276)	(652)	(2,928)
Net cash provided by operating activities	(1,643)	361	(1,282)
Cash flows from noncapital financing activities			
State and federal grants receipts	276	-	276
Net cash provided by noncapital financing activities	276	-	276
Cash flows from capital and related financing activities			
Acquisition of capital assets	(1,281)	-	(1,281)
Principal paid on long-term debt	-	(85)	(85)
Interest paid on long-term debt	-	(87)	(87)
Net cash (used in) capital and related financing activities	(1,281)	(172)	(1,453)
Cash flows from investing activities			
Investment income received	356	59	415
Net cash provided by investing activities	356	59	415
Net change in cash and cash equivalents	(2,292)	248	(2,044)
Cash and cash equivalents, beginning	6,040	964	7,004
Cash and cash equivalents, end	\$ 3,748	\$ 1,212	\$ 4,960
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating loss	\$ (2,358)	\$ 163	\$ (2,195)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	872	315	1,187
Decrease (increase) in:			
Accounts receivable	35	-	35
Lease receivable	(5)	-	(5)
Due from other funds	1	(93)	(92)
Other assets	(8)	2	(6)
Increase (decrease) in:			
Accounts payable	(302)	(7)	(309)
Accrued salaries and benefits	11	(3)	8
Due to other funds	(1)	-	(1)
Unearned revenues	8	-	8
Net pension liability	119	34	153
Net OPEB liability	(25)	-	(25)
Compensated absences	(25)	(46)	(71)
Deferred inflows of resources	35	(4)	31
Net cash provided by operating activities	\$ (1,643)	\$ 361	\$ (1,282)



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 Enterprise Infrastructure Replacement Fund – is established to replace assets used in the technology operations of the County, mainly core IT service.

County Radio Infrastructure Replacement Fund – is established to replace assets used in the technology operations of the County, mainly radio service subscribers.

County Server and Data Computing Infrastructure Replacement Fund – is established to replace assets used in the technology operations of the County, mainly server and data back-up environment.

COUNTY OF SAN MATEO
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2025
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage
ASSETS					
Current assets:					
Cash and investments	\$ 19,746	\$ 357	\$ 28,659	\$ 573	\$ 4,760
Receivables (net):					
Accounts	32	14	30	-	-
Interest	184	-	301	9	134
Due from other funds	374	11	-	-	395
Due from other governmental agencies	-	-	-	-	-
Inventories	115	-	-	-	-
Prepaid items	-	-	1,563	-	10,337
Total current assets	<u>20,451</u>	<u>382</u>	<u>30,553</u>	<u>582</u>	<u>15,626</u>
Noncurrent assets:					
Depreciable, net	<u>12,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>12,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>33,374</u>	<u>382</u>	<u>30,553</u>	<u>582</u>	<u>15,626</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	535	394	-	-	-
OPEB-related items	<u>264</u>	<u>203</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>799</u>	<u>597</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	1,037	14	219	50	59
Accrued salaries and benefits	43	27	-	1	-
Due to other funds	1	173	-	-	-
Compensated absences - current	107	100	-	-	-
Estimated claims - current	-	-	19,662	43	5,255
Total current liabilities	<u>1,188</u>	<u>314</u>	<u>19,881</u>	<u>94</u>	<u>5,314</u>
Noncurrent liabilities:					
Advances from other funds	-	448	-	-	-
Net pension liability - noncurrent	1,200	1,011	-	-	-
Net OPEB liability - noncurrent	213	164	-	-	-
Compensated absences - noncurrent	53	38	-	-	-
Estimated claims - noncurrent	-	-	31,131	72	5,822
Total noncurrent liabilities	<u>1,466</u>	<u>1,661</u>	<u>31,131</u>	<u>72</u>	<u>5,822</u>
Total liabilities	<u>2,654</u>	<u>1,975</u>	<u>51,012</u>	<u>166</u>	<u>11,136</u>
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	30	2	-	-	-
OPEB-related items	<u>92</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>122</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	12,923	-	-	-	-
Unrestricted	<u>18,474</u>	<u>(1,069)</u>	<u>(20,459)</u>	<u>416</u>	<u>4,490</u>
Total net position	<u>\$ 31,397</u>	<u>\$ (1,069)</u>	<u>\$ (20,459)</u>	<u>\$ 416</u>	<u>\$ 4,490</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2025
(In Thousands)

Employee Benefits	County Enterprise Infrastructure Replacement	County Radio Infrastructure Replacement	County Server and Data Computing Infrastructure Replacement	Total	
					ASSETS
					Current assets:
\$ 24,230	\$ 2,881	\$ 1,982	\$ 870	\$ 84,058	Cash and investments
					Receivables (net):
667	-	-	-	743	Accounts
201	29	14	9	881	Interest
39	-	-	-	819	Due from other funds
3,651	-	-	-	3,651	Due from other governmental agencies
-	-	-	-	115	Inventories
-	-	-	-	11,900	Prepaid items
28,788	2,910	1,996	879	102,167	Total current assets
					Noncurrent assets:
-	152	-	-	13,075	Depreciable, net
-	152	-	-	13,075	Total noncurrent assets
28,788	3,062	1,996	879	115,242	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	929	Pension-related items
-	-	-	-	467	OPEB-related items
-	-	-	-	1,396	Total deferred outflows of resources
					LIABILITIES
					Current liabilities:
317	-	-	-	1,696	Accounts payable
-	-	-	-	71	Accrued salaries and benefits
178	-	-	-	352	Due to other funds
-	-	-	-	207	Compensated absences - current
1,232	-	-	-	26,192	Estimated claims - current
1,727	-	-	-	28,518	Total current liabilities
					Noncurrent liabilities:
-	-	-	-	448	Advances from other funds
-	-	-	-	2,211	Net pension liability - noncurrent
-	-	-	-	377	Net OPEB liability - noncurrent
-	-	-	-	91	Compensated absences - noncurrent
-	-	-	-	37,025	Estimated claims - noncurrent
-	-	-	-	40,152	Total noncurrent liabilities
1,727	-	-	-	68,670	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	32	Pension-related items
-	-	-	-	163	OPEB-related items
-	-	-	-	195	Total deferred inflows of resources
					NET POSITION
-	152	-	-	13,075	Net investment in capital assets
27,061	2,910	1,996	879	34,698	Unrestricted
\$ 27,061	\$ 3,062	\$ 1,996	\$ 879	\$ 47,773	Total net position

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, 2025
(In Thousands)

	Fleet Maintenance	Tower Road Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage
Operating revenues:					
Charges for services	\$ 8,340	\$ 2,091	\$ 20,254	\$ 997	\$ 26,859
Miscellaneous	505	93	1,956	-	7,989
Total operating revenues	<u>8,845</u>	<u>2,184</u>	<u>22,210</u>	<u>997</u>	<u>34,848</u>
Operating expenses:					
Salaries and benefits	1,534	1,172	-	-	-
Pension expense	415	290	-	-	-
OPEB expense	61	47	-	-	-
General and administrative	3,870	529	3,840	1,086	2,616
Benefits and claims	-	-	13,434	9	9,511
Insurance premiums	-	-	2,345	-	19,395
Depreciation	2,889	-	-	-	-
Total operating expenses	<u>8,769</u>	<u>2,038</u>	<u>19,619</u>	<u>1,095</u>	<u>31,522</u>
Operating income (loss)	<u>76</u>	<u>146</u>	<u>2,591</u>	<u>(98)</u>	<u>3,326</u>
Nonoperating revenues (expenses):					
Investment income (loss)	1,137	(1)	1,587	43	282
Total nonoperating revenues	<u>1,137</u>	<u>(1)</u>	<u>1,587</u>	<u>43</u>	<u>282</u>
Income (loss) before transfers	1,213	145	4,178	(55)	3,608
Transfers out	<u>(63)</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>(16)</u>
Change in net position	1,150	131	4,178	(55)	3,592
Net position - beginning as previously reported	30,282	(1,152)	(24,637)	471	898
Cumulative effect of accounting change	(35)	(48)	-	-	-
Net position - beginning, as restated	<u>30,247</u>	<u>(1,200)</u>	<u>(24,637)</u>	<u>471</u>	<u>898</u>
Net position - end	<u>\$ 31,397</u>	<u>\$ (1,069)</u>	<u>\$ (20,459)</u>	<u>\$ 416</u>	<u>\$ 4,490</u>

(Continued)

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, 2025
(In Thousands)

Employee Benefits	County Enterprise Infrastructure Replacement	County Radio Infrastructure Replacement	County Server and Data Computing Infrastructure Replacement	Total	
					Operating revenues:
\$ 148,699	\$ 2,986	\$ 1,371	\$ 854	\$ 212,451	Charges for services
<u>1</u>	<u>-</u>	<u>575</u>	<u>-</u>	<u>11,119</u>	Miscellaneous
<u>148,700</u>	<u>2,986</u>	<u>1,946</u>	<u>854</u>	<u>223,570</u>	Total operating revenues
					Operating expenses:
-	-	-	-	2,706	Salaries and benefits
-	-	-	-	705	Pension expense
-	-	-	-	108	OPEB expense
6,688	-	-	-	18,629	General and administrative
9,195	-	-	-	32,149	Benefits and claims
133,934	-	-	-	155,674	Insurance premiums
<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>2,899</u>	Depreciation
<u>149,817</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>212,870</u>	Total operating expenses
<u>(1,117)</u>	<u>2,976</u>	<u>1,946</u>	<u>854</u>	<u>10,700</u>	Operating income (loss)
					Nonoperating revenues (expenses):
<u>1,273</u>	<u>86</u>	<u>50</u>	<u>25</u>	<u>4,482</u>	Investment income (loss)
<u>1,273</u>	<u>86</u>	<u>50</u>	<u>25</u>	<u>4,482</u>	Total nonoperating revenues
156	3,062	1,996	879	15,182	Income (loss) before transfers
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93)</u>	Transfers out
156	3,062	1,996	879	15,089	Change in net position
26,905	-	-	-	32,767	Net position - beginning as previously reported
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83)</u>	Cumulative effect of accounting change
<u>26,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,684</u>	Net position - beginning, as restated
<u>\$ 27,061</u>	<u>\$ 3,062</u>	<u>\$ 1,996</u>	<u>\$ 879</u>	<u>\$ 47,773</u>	Net position - end

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	Fleet Maintenance	Tower Construction	Workers' Compensation Insurance	Long-Term Disability	Personal Injury and Property Damage
Cash flows from operating activities					
Cash received from interfund services provided	\$ 8,525	\$ 2,299	\$ 22,299	\$ 999	\$ 32,885
Cash payment to suppliers of goods and services	(3,127)	(664)	(6,117)	(1,036)	(22,601)
Cash payment to employees for services	(1,861)	(1,416)	-	-	-
Cash payment for judgments and claims	-	-	(13,042)	(40)	(10,019)
Net cash provided by (used in) operating activities	<u>3,537</u>	<u>219</u>	<u>3,140</u>	<u>(77)</u>	<u>265</u>
Cash flows from noncapital financing activities					
Transfers paid to other funds	(63)	(14)	-	-	(16)
Loan to other funds	-	(96)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(63)</u>	<u>(110)</u>	<u>-</u>	<u>-</u>	<u>(16)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(7,296)	-	-	-	-
Net cash used in capital and related financing activities	<u>(7,296)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Investment income received (expenses paid)	1,158	(2)	1,535	44	231
Net increase (decrease) in cash and cash equivalents	(2,664)	107	4,675	(33)	480
Cash and cash equivalents, beginning	22,410	250	23,984	606	4,280
Cash and cash equivalents, end	<u>\$ 19,746</u>	<u>\$ 357</u>	<u>\$ 28,659</u>	<u>\$ 573</u>	<u>\$ 4,760</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 76	\$ 146	\$ 2,591	\$ (98)	\$ 3,326
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,889	-	-	-	-
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable	(23)	48	206	-	-
Due from other funds	(303)	62	-	2	(393)
Due from other government agencies	-	-	-	-	-
Inventories	(2)	-	-	-	-
Other assets	6	5	(117)	-	(1,570)
Deferred outflows of resources	144	175	-	-	-
Increase (decrease) in:					
Accounts payable	797	2	68	50	(590)
Accrued salaries and benefits	8	3	-	-	-
Due to other funds	(52)	(137)	-	-	-
Net pension liability	(45)	(90)	-	-	-
Net OPEB liability	30	23	-	-	-
Compensated absences	5	(3)	-	-	-
Estimated claims	-	-	392	(31)	(508)
Deferred inflows of resources	7	(15)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,537</u>	<u>\$ 219</u>	<u>\$ 3,140</u>	<u>\$ (77)</u>	<u>\$ 265</u>

(Continued)

COUNTY OF SAN MATEO
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

Employee Benefits	County Enterprise Infrastructure Replacement	County Radio Infrastructure Replacement	County Server and Data Computing Infrastructure Replacement	Total	
\$ 148,169	\$ 2,986	\$ 1,946	\$ 854	\$ 220,962	Cash flows from operating activities
(140,492)	-	-	-	(174,037)	Cash received from interfund services provided
-	-	-	-	(3,277)	Cash payment to suppliers of goods and services
(9,278)	-	-	-	(32,379)	Cash payment to employees for services
(1,601)	2,986	1,946	854	11,269	Cash payment for judgments and claims
					Net cash provided by (used in) operating activities
					Cash flows from noncapital financing activities
-	-	-	-	(93)	Transfers paid to other funds
-	-	-	-	(96)	Loan to other funds
-	-	-	-	(189)	Net cash provided by (used in) noncapital financing activities
					Cash flows from capital and related financing activities
-	(162)	-	-	(7,458)	Acquisition of capital assets
-	(162)	-	-	(7,458)	Net cash used in capital and related financing activities
					Cash flows from investing activities
1,292	57	36	16	4,367	Investment income received (expenses paid)
(309)	2,881	1,982	870	7,989	Net increase (decrease) in cash and cash equivalents
24,539	-	-	-	76,069	Cash and cash equivalents, beginning
\$ 24,230	\$ 2,881	\$ 1,982	\$ 870	\$ 84,058	Cash and cash equivalents, end
					Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
\$ (1,117)	\$ 2,976	\$ 1,946	\$ 854	\$ 10,700	Operating income (loss)
					Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
-	10	-	-	2,899	Depreciation and amortization
					Changes in operating assets and liabilities:
					Decrease (increase) in:
152	-	-	-	383	Accounts receivable
(39)	-	-	-	(671)	Due from other funds
(644)	-	-	-	(644)	Due from other government agencies
-	-	-	-	(2)	Inventories
-	-	-	-	(1,676)	Other assets
-	-	-	-	319	Deferred outflows of resources
					Increase (decrease) in:
125	-	-	-	452	Accounts payable
-	-	-	-	11	Accrued salaries and benefits
5	-	-	-	(184)	Due to other funds
-	-	-	-	(135)	Net pension liability
-	-	-	-	53	Net OPEB liability
-	-	-	-	2	Compensated absences
(83)	-	-	-	(230)	Estimated claims
-	-	-	-	(8)	Deferred inflows of resources
\$ (1,601)	\$ 2,986	\$ 1,946	\$ 854	\$ 11,269	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, 2025
(In Thousands)

	External Investment Pool			Total
	Special Districts under Local Board	School Districts	Other Investment Trust	
ASSETS				
Cash and investments	\$ 836,764	\$ 3,195,258	\$ 610,535	\$ 4,642,557
Interest receivable	8,409	32,200	9,210	49,819
Due from other governmental agencies	12,599	1	-	12,600
Other assets	1	23	216	240
Total assets	<u>857,773</u>	<u>3,227,482</u>	<u>619,961</u>	<u>4,705,216</u>
LIABILITIES				
Accounts payable	453	-	1,454	1,907
Other liabilities	12,599	94	13	12,706
Total liabilities	<u>13,052</u>	<u>94</u>	<u>1,467</u>	<u>14,613</u>
NET POSITION				
Net position restricted for investment pool participants	<u>\$ 844,721</u>	<u>\$ 3,227,388</u>	<u>\$ 618,494</u>	<u>\$ 4,690,603</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	External Investment Pool			
	Special Districts under Local Board	School Districts	Other Investment Trust	Total
ADDITIONS				
Contributions to investment pool	\$ 743,974	\$ 4,538,870	\$ 812,364	\$ 6,095,208
Net investment income:				
Net appreciation in fair value of investments	14,382	58,762	12,700	85,844
Interest and investment income	28,885	110,841	321,251	460,977
Total net investment income	43,267	169,603	333,951	546,821
Total additions	787,241	4,708,473	1,146,315	6,642,029
DEDUCTIONS				
Distribution from investment pool	582,641	4,540,852	1,183,891	6,307,384
Change in net position	204,600	167,621	(37,576)	334,645
Net position - beginning	640,121	3,059,767	656,070	4,355,958
Net position - end	\$ 844,721	\$ 3,227,388	\$ 618,494	\$ 4,690,603

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025
(In Thousands)

	RDA	Unapportioned Taxes	Total
ASSETS			
Cash and investments	\$ 375	\$ 240,487	\$ 240,862
Receivables (net):			
Interest	816	1,712	2,528
Other	-	94	94
Total assets	1,191	242,293	243,484
LIABILITIES			
Accounts payable	-	496	496
Due to other governmental agencies	-	223,868	223,868
Other liabilities	2	74	76
Total liabilities	2	224,438	224,440
NET POSITION			
Net position restricted for individuals, organizations, and other governments	\$ 1,189	\$ 17,855	\$ 19,044

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	<u>RDA</u>	<u>Unapportioned Taxes</u>	<u>Total</u>
ADDITIONS			
Property taxes collected for other governments	\$ 365,084	\$ 4,726,327	\$ 5,091,411
Interest and investment income/(loss)	<u>1,260</u>	<u>9,236</u>	<u>10,496</u>
Total additions	<u>366,344</u>	<u>4,735,563</u>	<u>5,101,907</u>
DEDUCTIONS			
Property taxes distributed to other governments	<u>366,295</u>	<u>4,733,896</u>	<u>5,100,191</u>
Change in net position	49	1,667	1,716
Net position - beginning	<u>1,140</u>	<u>16,188</u>	<u>17,328</u>
Net position - end	<u><u>\$ 1,189</u></u>	<u><u>\$ 17,855</u></u>	<u><u>\$ 19,044</u></u>

COUNTY OF SAN MATEO
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025
(In Thousands)

	County Library	Trial Courts Operation	Public Administrator	Public Guardian	Other Custodial	Total
ASSETS						
Cash and investments	\$ 69,335	\$ 5	\$ 30,115	\$ 16,150	\$ 259,578	\$ 375,183
Receivables (net):						
Accounts	-	-	-	-	597	597
Interest	683	-	323	164	2,811	3,981
Taxes, net	1,913	-	-	-	219,611	221,524
Other	1	-	-	-	336	337
Due from other governmental agencies	4,238	-	-	-	33,236	37,474
Other assets	3,222	1,108	11,319	19,993	-	35,642
Total assets	<u>79,392</u>	<u>1,113</u>	<u>41,757</u>	<u>36,307</u>	<u>516,169</u>	<u>674,738</u>
LIABILITIES						
Accounts payable	1,812	-	1,105	-	2,280	5,197
Due to other governmental agencies	-	-	-	132	738	870
Other liabilities	7,483	-	95	1,118	271,831	280,527
Total liabilities	<u>9,295</u>	<u>-</u>	<u>1,200</u>	<u>1,250</u>	<u>274,849</u>	<u>286,594</u>
NET POSITION						
Net position restricted for individuals, organizations, and other governments	<u>\$ 70,097</u>	<u>\$ 1,113</u>	<u>\$ 40,557</u>	<u>\$ 35,057</u>	<u>\$ 241,320</u>	<u>\$ 388,144</u>

COUNTY OF SAN MATEO
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2025
(In Thousands)

	<u>County Library</u>	<u>Trial Courts Operation</u>	<u>Public Administrator</u>	<u>Public Guardian</u>	<u>Other Custodial</u>	<u>Total</u>
ADDITIONS						
Contributions to investment pool	\$ 6,550	\$ 5	\$ -	\$ -	\$ 161,016	\$ 167,571
Contributions held on bequests	-	-	11,565	17,062	-	28,627
Property taxes collected for other governments	46,569	-	-	-	1,347,178	1,393,747
Interest and investment income	3,699	-	1,940	870	17,797	24,306
	<u>56,818</u>	<u>5</u>	<u>13,505</u>	<u>17,932</u>	<u>1,525,991</u>	<u>1,614,251</u>
DEDUCTIONS						
Distribution from investment pool	25,582	4	-	-	179,431	205,017
Property taxes distributed to other governments	2,972	-	-	-	1,328,204	1,331,176
Beneficiary payments to individuals	-	-	22,800	12,564	-	35,364
Payments to other local governments	17,286	-	-	-	1,101	18,387
Administrative expenses	2,780	-	-	-	1	2,781
Interest expense	-	-	-	-	8,816	8,816
	<u>48,620</u>	<u>4</u>	<u>22,800</u>	<u>12,564</u>	<u>1,517,553</u>	<u>1,601,541</u>
Change in net position	8,198	1	(9,295)	5,368	8,438	12,710
Net position - beginning	<u>61,899</u>	<u>1,112</u>	<u>49,852</u>	<u>29,689</u>	<u>232,882</u>	<u>375,434</u>
Net position - end	<u>\$ 70,097</u>	<u>\$ 1,113</u>	<u>\$ 40,557</u>	<u>\$ 35,057</u>	<u>\$ 241,320</u>	<u>\$ 388,144</u>



STATISTICAL SECTION
(Unaudited)

COUNTY OF SAN MATEO

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

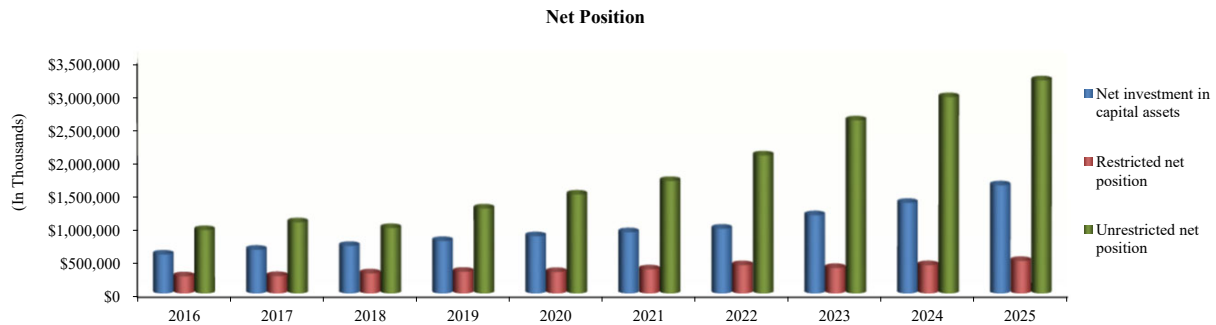
Operating Information

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

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

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets ¹	\$ 508,490	\$ 579,485	\$ 634,859	\$ 706,423	\$ 779,091	\$ 836,052	\$ 889,020	\$ 1,089,895	\$ 1,263,970	\$ 1,523,352
Restricted for:										
Government programs ³	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663	389,025	457,078
Capital projects	2,714	2,518	2,402	1,427	1,799	-	-	-	-	-
Debt service	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540	33,565	28,548
Unrestricted	917,413	1,032,917	975,044	1,258,498	1,443,606	1,622,679	1,974,683	2,507,542	2,874,291	3,128,425
Subtotal governmental activities net position	1,682,127	1,872,938	1,908,395	2,287,944	2,542,336	2,818,278	3,285,809	3,977,640	4,560,851	5,137,403
Business-type Activities										
Net investment in capital assets ¹	75,231	76,676	78,508	80,568	79,271	82,464	82,842	84,379	95,670	100,213
Restricted for:										
Housing assistance programs	-	-	1,383	1,782	1,518	1,318	1,837	1,455	1,846	1,452
Airport management by FAA	362	362	-	-	-	-	-	-	-	-
Unrestricted	32,816	34,911	6,229	16,874	40,477	64,858	97,692	90,622	72,629	71,451
Subtotal business-type activities net position	108,409	111,949	86,120	99,224	121,266	148,640	182,371	176,456	170,145	173,116
Primary Government										
Net investment in capital assets	583,721	656,161	713,367	786,991	858,362	918,516	971,862	1,174,274	1,359,640	1,623,565
Restricted for:										
Governmental programs	201,059	210,266	246,960	286,213	249,805	272,973	322,270	354,663	389,025	457,078
Capital projects	2,714	2,518	2,402	1,427	1,799	-	-	-	-	-
Debt service	52,451	47,752	49,130	35,383	68,035	86,574	99,836	25,540	33,565	28,548
Housing assistance programs	-	-	1,383	1,782	1,518	1,318	1,837	1,455	1,846	1,452
Airport management by FAA	362	362	-	-	-	-	-	-	-	-
Total restricted	256,586	260,898	299,875	324,805	321,157	360,865	423,943	381,658	424,436	487,078
Unrestricted	950,229	1,067,828	981,273	1,275,372	1,484,083	1,687,537	2,072,375	2,598,164	2,946,920	3,199,876
Total primary government net position ²	\$ 1,790,536	\$ 1,984,887	\$ 1,994,515	\$ 2,387,168	\$ 2,663,602	\$ 2,966,918	\$ 3,468,180	\$ 4,154,096	\$ 4,730,996	\$ 5,310,519
Percent of increase in primary government net position	16.17%	10.85%	0.49%	19.69%	11.58%	11.39%	16.90%	19.78%	13.89%	12.25%



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

Notes:

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

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

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

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
<u>Governmental activities:</u>										
General government	\$ 111,332	\$ 130,331	\$ 156,598	\$ 149,837	\$ 238,847	\$ 397,881	\$ 236,202	\$ 165,065	\$ 205,148	\$ 316,707
Public protection	357,729	403,393	409,330	423,996	477,616	485,608	414,152	491,388	582,292	569,134
Public ways and facilities	20,058	23,460	24,375	23,731	27,706	27,221	25,938	30,115	30,807	40,798
Health and sanitation	275,293	304,204	350,672	376,472	386,005	408,741	442,737	448,120	512,022	566,316
Public assistance	222,255	243,469	250,393	255,556	230,967	283,760	281,337	311,497	435,241	390,299
Recreation	13,171	15,483	16,252	16,839	22,676	21,148	21,895	23,291	26,093	27,855
Interest on long-term debt	22,187	19,068	17,691	22,098	22,817	23,745	28,402	24,246	23,052	20,100
Total governmental activities expenses	<u>1,022,025</u>	<u>1,139,408</u>	<u>1,225,311</u>	<u>1,268,529</u>	<u>1,406,634</u>	<u>1,648,104</u>	<u>1,450,663</u>	<u>1,493,722</u>	<u>1,814,655</u>	<u>1,931,209</u>
<u>Business-type activities:</u>										
San Mateo Medical Center	264,854	290,389	314,258	335,511	403,981	399,704	397,777	418,537	453,223	465,268
Airports	3,318	3,808	4,533	4,737	5,004	4,736	4,635	5,108	5,554	6,261
Coyote Point Marina	1,090	1,234	2,261	1,306	1,466	1,461	1,661	1,372	1,728	1,500
Housing Authority	72,783	82,567	89,191	95,526	108,385	123,320	130,654	133,240	146,026	159,073
Total business-type activities expenses	<u>342,045</u>	<u>377,998</u>	<u>410,243</u>	<u>437,080</u>	<u>518,836</u>	<u>529,221</u>	<u>534,727</u>	<u>558,257</u>	<u>606,531</u>	<u>632,102</u>
Total primary government expenses	<u>\$ 1,364,070</u>	<u>\$ 1,517,406</u>	<u>\$ 1,635,554</u>	<u>\$ 1,705,609</u>	<u>\$ 1,925,470</u>	<u>\$ 2,177,325</u>	<u>\$ 1,985,390</u>	<u>\$ 2,051,979</u>	<u>\$ 2,421,186</u>	<u>\$ 2,563,311</u>
Program Revenues										
<u>Governmental activities:</u>										
Charges for services										
General government	\$ 34,613	\$ 34,764	\$ 34,071	\$ 35,674	\$ 33,198	\$ 47,995	\$ 67,696	\$ 79,731	\$ 52,056	\$ 58,541
Public protection	36,755	35,998	37,529	41,024	57,108	56,922	61,830	58,135	67,368	60,908
Public ways and facilities	2,387	2,979	3,002	3,041	3,804	3,773	4,316	3,605	5,494	4,509
Health and sanitation	91,215	92,286	91,551	106,810	102,620	110,042	118,271	111,216	132,934	148,220
Public assistance	5,880	5,416	6,147	6,165	6,263	11,718	7,361	6,231	7,727	4,323
Recreation	2,238	2,531	2,906	2,663	3,650	2,425	1,733	1,898	1,287	2,836
Operating grants and contributions	479,695	501,166	566,848	594,396	568,353	783,503	782,230	723,151	783,130	875,671
Capital grants and contributions	-	-	-	-	-	-	-	100	-	-
Total governmental activities program revenues	<u>652,783</u>	<u>675,140</u>	<u>742,054</u>	<u>789,773</u>	<u>774,996</u>	<u>1,016,378</u>	<u>1,043,437</u>	<u>984,067</u>	<u>1,049,996</u>	<u>1,155,008</u>
<u>Business-type activities:</u>										
Charges for services										
San Mateo Medical Center	227,104	239,908	270,519	292,855	341,987	345,657	364,625	358,845	375,067	402,962
Airports	3,833	3,812	4,032	3,847	4,232	5,565	5,251	4,397	4,031	3,631
Coyote Point Marina	1,103	1,196	1,420	1,467	1,531	1,550	1,596	1,492	1,507	1,555
Housing Authority	71,351	78,238	97,623	94,057	116,163	130,386	133,330	132,120	148,166	167,602
Operating grants and contributions	3,316	1,488	1,095	71	20,339	8,584	11,072	2,776	12,216	6,284
Capital grants and contributions	5,226	6,431	4,919	5,007	4,585	3,211	4,294	5,725	8,836	291
Total business-type activities program revenues	<u>311,933</u>	<u>331,073</u>	<u>379,608</u>	<u>397,304</u>	<u>488,837</u>	<u>494,953</u>	<u>520,168</u>	<u>505,355</u>	<u>549,823</u>	<u>582,325</u>
Total primary government program revenues	<u>\$ 964,716</u>	<u>\$ 1,006,213</u>	<u>\$ 1,121,662</u>	<u>\$ 1,187,077</u>	<u>\$ 1,263,833</u>	<u>\$ 1,511,331</u>	<u>\$ 1,563,605</u>	<u>\$ 1,489,422</u>	<u>\$ 1,599,819</u>	<u>\$ 1,737,333</u>
Net Expense ¹										
Governmental activities	\$ (369,242)	\$ (464,268)	\$ (483,257)	\$ (478,756)	\$ (631,638)	\$ (631,726)	\$ (407,226)	\$ (509,655)	\$ (764,659)	\$ (776,201)
Business-type activities	<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>	<u>(52,902)</u>	<u>(56,708)</u>	<u>(49,777)</u>
Total primary government net expenses	<u>\$ (399,354)</u>	<u>\$ (511,193)</u>	<u>\$ (513,892)</u>	<u>\$ (518,532)</u>	<u>\$ (661,637)</u>	<u>\$ (665,994)</u>	<u>\$ (421,785)</u>	<u>\$ (562,557)</u>	<u>\$ (821,367)</u>	<u>\$ (825,978)</u>

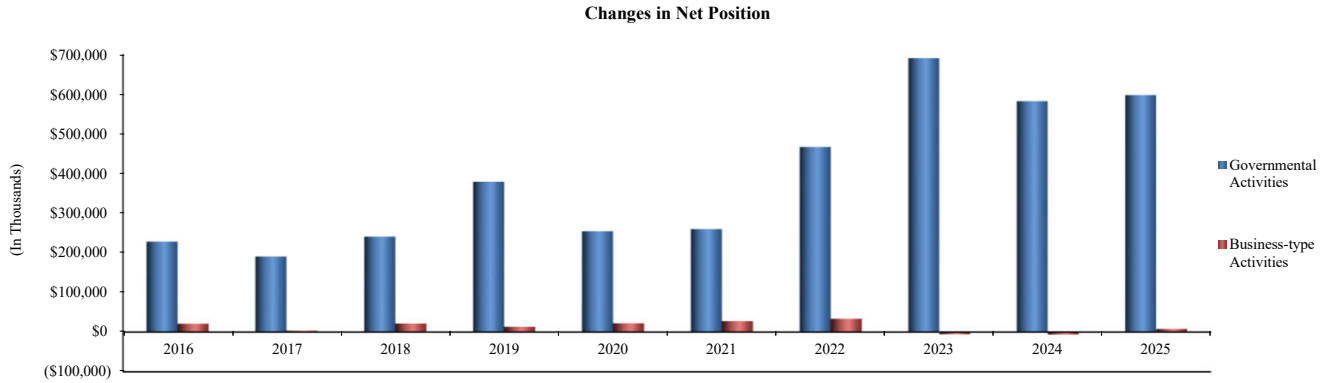
Source: Government-Wide Financial Statements - Annual Comprehensive Financial Reports, County of San Mateo, California

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

(Continued)

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
<u>Governmental activities:</u>										
Taxes:										
Property taxes	\$ 471,985	\$ 514,936	\$ 565,264	\$ 649,342	\$ 691,462	\$ 782,391	\$ 763,379	\$ 932,073	\$ 937,531	\$ 965,784
Property transfer taxes	9,978	10,088	11,008	11,315	10,291	13,575	16,234	9,663	5,696	10,398
Sales and use taxes	98,437	107,398	114,743	127,083	118,681	108,058	138,752	155,103	147,136	148,088
Property tax in-lieu of sales taxes	4,808	-	-	-	-	-	-	-	-	-
Transient occupancy taxes	1,490	1,749	2,160	1,750	1,920	2,619	4,393	4,837	6,149	6,807
Aircraft taxes	1,086	1,487	1,418	1,413	984	1,016	1,647	1,616	1,829	1,745
Vehicle rental business license tax	12,145	12,581	10,946	11,540	10,911	2,476	8,668	12,899	12,956	12,880
Unrestricted interest and investment earnings	21,026	14,859	24,828	58,417	78,726	4,094	(57,313)	69,362	180,430	212,310
Miscellaneous	27,188	42,246	44,792	45,228	60,531	36,950	47,287	57,777	102,004	68,502
Special items	(603)	-	-	-	(39,088)	-	-	-	-	-
Transfers	(49,923)	(50,265)	(50,915)	(47,783)	(48,388)	(59,443)	(48,290)	(41,844)	(45,861)	(52,124)
Total governmental activities	597,617	655,079	724,244	858,305	886,030	891,736	874,757	1,201,486	1,347,870	1,374,390
<u>Business-type activities:</u>										
Unrestricted interest and investment earnings	776	(222)	156	2,448	1,784	321	(3,231)	1,322	2,731	3,114
Miscellaneous	283	422	1,271	2,649	1,869	1,878	3,231	3,821	1,805	2,209
Transfers	49,923	50,265	50,915	47,783	48,388	59,443	48,290	41,844	45,861	52,124
Total business-type activities	50,982	50,465	52,342	52,880	52,041	61,642	48,290	46,987	50,397	57,447
Total primary government	\$ 648,599	\$ 705,544	\$ 776,586	\$ 911,185	\$ 938,071	\$ 953,378	\$ 923,047	\$ 1,248,473	\$ 1,398,267	\$ 1,431,837
Change in Net Position										
Governmental activities	\$ 228,375	\$ 190,811	\$ 240,987	\$ 379,549	\$ 254,392	\$ 260,010	\$ 467,531	\$ 691,831	\$ 583,211	\$ 598,189
Business-type activities	20,870	3,540	21,707	13,104	22,042	27,374	33,731	(5,915)	(6,311)	7,670
Total primary government	\$ 249,245	\$ 194,351	\$ 262,694	\$ 392,653	\$ 276,434	\$ 287,384	\$ 501,262	\$ 685,916	\$ 576,900	\$ 605,859

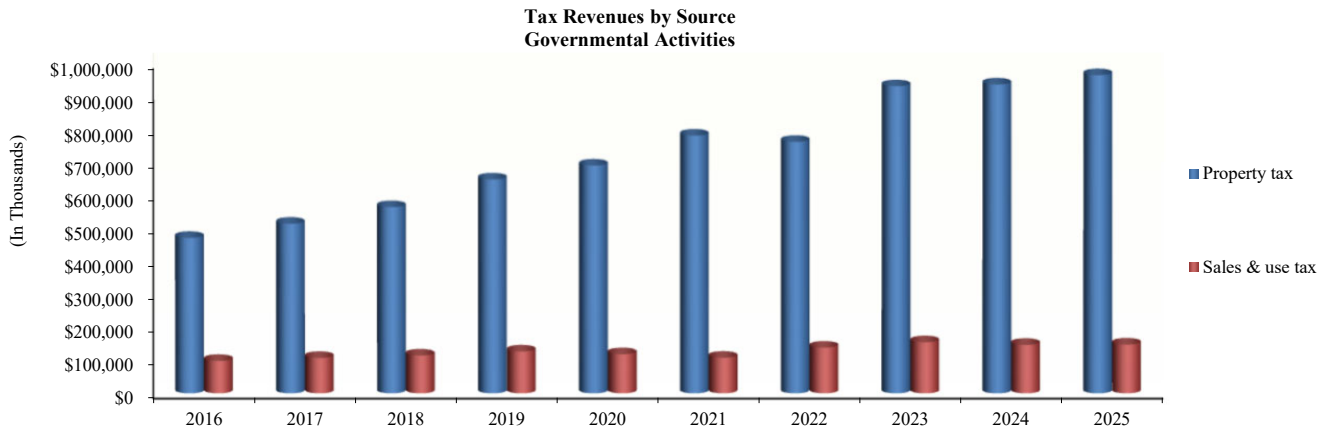


COUNTY OF SAN MATEO
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

Fiscal Year	Property	Property Transfer	Sales and Use Taxes ¹	Property tax in-lieu of Sales Tax ³	Vehicle Rental Business License Tax ²	Transient Occupancy	Aircraft	Total
2016	\$ 471,985	\$ 9,978	\$ 98,437	\$ 4,808	\$ 12,145	\$ 1,490	\$ 1,086	\$ 599,929
2017	514,936	10,088	107,398	-	12,581	1,749	1,487	648,239
2018	565,264	11,008	114,743	-	10,946	2,160	1,418	705,539
2019	649,342	11,315	127,083	-	11,540	1,750	1,413	802,443
2020	691,462	10,291	118,681	-	10,911	1,920	984	834,249
2021	782,391	13,575	108,058	-	2,476	2,619	1,016	910,135
2022	763,379	16,234	138,752	-	8,668	4,393	1,647	933,073
2023	932,073	9,663	155,103	-	12,899	4,837	1,616	1,116,191
2024	937,531	5,696	147,136	-	12,956	6,149	1,829	1,111,297
2025	965,784	10,398	148,088	-	12,880	6,807	1,745	1,145,702

Change

2016 - 2025	104.6%	4.2%	50.4%	-100.0%	6.1%	356.8%	60.7%	91.0%
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Source: Controller's Office - County of San Mateo, California

Notes:

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

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

	As of June 30,									
General Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nondspendable	\$ 33,905	\$ 40,106	\$ 46,198	\$ 50,648	\$ 52,353	\$ 51,008	\$ 37,538	\$ 24,308	\$ 30,412	\$ 48,391
Restricted	89,025	94,418	127,495	151,220	130,731	148,768	187,083	215,910	227,304	283,752
Assigned	6,584	10,235	9,860	7,802	9,334	5,970	6,279	7,396	16,201	13,974
Unassigned	744,315	791,121	835,779	1,021,356	1,221,199	1,244,535	1,561,861	1,856,111	2,235,547	2,493,826
Total general fund	<u>873,829</u>	<u>935,880</u>	<u>1,019,332</u>	<u>1,231,026</u>	<u>1,413,617</u>	<u>1,450,281</u>	<u>1,792,761</u>	<u>2,103,725</u>	<u>2,509,464</u>	<u>2,839,943</u>
All Other Governmental Funds										
Nondspendable	464	709	718	1,176	1,262	1,097	1,251	1,396	845	684
Restricted	173,410	172,118	176,633	405,002	358,807	485,465	377,185	299,517	276,404	280,592
Assigned	107,192	100,162	96,646	99,039	153,189	167,036	133,377	202,674	176,748	157,760
Unassigned	(561)	(546)	(435)	(259)	(789)	(907)	-	(88)	-	-
Total all other governmental funds	<u>280,505</u>	<u>272,443</u>	<u>273,562</u>	<u>504,958</u>	<u>512,469</u>	<u>652,691</u>	<u>511,813</u>	<u>503,499</u>	<u>453,997</u>	<u>439,036</u>
Total Governmental Funds¹										
Nondspendable	34,369	40,815	46,916	51,824	53,615	52,105	38,789	25,704	31,257	49,075
Restricted	262,435	266,536	304,128	556,222	489,538	634,233	564,268	515,427	503,708	564,344
Assigned	113,776	110,397	106,506	106,841	162,523	173,006	139,656	210,070	192,949	171,734
Unassigned	743,754	790,575	835,344	1,021,097	1,220,410	1,243,628	1,561,861	1,856,023	2,235,547	2,493,826
Total governmental funds	<u>\$ 1,154,334</u>	<u>\$ 1,208,323</u>	<u>\$ 1,292,894</u>	<u>\$ 1,735,984</u>	<u>\$ 1,926,086</u>	<u>\$ 2,102,972</u>	<u>\$ 2,304,574</u>	<u>\$ 2,607,224</u>	<u>\$ 2,963,461</u>	<u>\$ 3,278,979</u>

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

Notes:

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

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

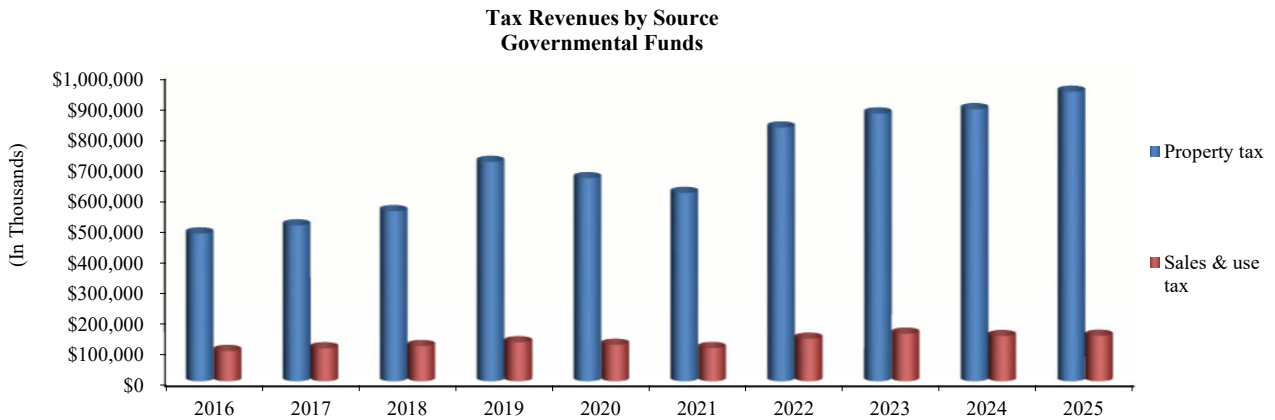
	Fiscal Year Ended June 30,										10 Year % of Increase/ Decrease
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Revenues											
Taxes	\$ 605,521	\$ 641,998	\$ 695,359	\$ 868,892	\$ 805,567	\$ 742,389	\$ 997,768	\$ 1,057,940	\$ 1,061,506	\$ 1,124,721	85.74%
Licenses and permits	7,963	10,982	11,283	11,428	10,957	11,126	11,650	11,758	11,464	12,974	62.93%
Intergovernmental	494,214	501,439	542,832	576,465	602,183	771,675	765,150	722,063	789,579	842,501	70.47%
Charges for services	161,243	153,387	163,242	169,368	185,000	225,526	240,597	220,421	235,965	285,416	77.01%
Fines, forfeitures and penalties	11,679	9,486	9,994	11,378	9,807	7,836	8,687	4,729	5,372	6,193	-46.97%
Rents and concessions	1,769	1,655	1,664	1,602	1,994	2,187	2,604	2,689	3,061	5,043	185.08%
Investment income (loss)	18,371	12,705	22,489	54,856	75,078	1,830	(54,381)	67,671	174,252	205,842	1020.47%
Other revenues	24,800	29,557	28,522	27,794	41,336	33,176	39,842	45,333	36,740	39,677	59.99%
Total revenues	1,325,560	1,361,209	1,475,385	1,721,783	1,731,922	1,795,745	2,011,917	2,132,604	2,317,939	2,522,367	90.29%
Expenditures											
Current:											
General government*	109,491	115,071	146,140	136,521	201,816	396,922	259,536	210,463	183,413	269,665	146.29%
Public protection*	387,217	399,087	409,443	431,708	435,617	447,202	450,449	476,049	501,306	511,665	32.14%
Public ways and facilities	20,284	22,225	23,575	23,171	25,663	25,262	25,942	28,047	27,460	37,781	86.26%
Health and sanitation	287,217	305,386	354,334	383,507	372,682	395,870	462,143	445,043	474,163	534,133	85.97%
Public assistance	232,283	245,416	254,197	262,152	223,089	275,127	295,989	309,887	412,103	377,323	62.44%
Recreation	12,992	14,629	15,314	16,100	20,023	18,649	21,343	21,194	21,902	24,597	89.32%
Capital outlay	97,594	67,477	57,103	99,858	126,002	124,741	215,064	251,763	273,394	285,408	192.44%
Debt service:											
Principal	15,054	33,680	34,008	33,590	32,163	28,957	27,668	22,831	24,945	23,773	57.92%
Interest	22,926	20,622	20,080	20,248	26,336	27,317	31,188	26,926	25,152	25,113	9.54%
Payment to bond refunding escrow	9,758	-	-	-	-	-	-	-	-	-	-100.00%
Bond issuance costs	1,506	-	-	1,454	274	1,451	43	113	352	255	-83.07%
Bond insurance costs	-	7	16	33	56	43	-	-	-	-	0.00%
Total expenditures	1,196,322	1,223,600	1,314,210	1,408,342	1,463,721	1,741,541	1,789,365	1,792,316	1,944,190	2,089,713	74.68%
Excess of revenues over expenditures	129,238	137,609	161,175	313,441	268,201	54,204	222,552	340,288	373,749	432,654	234.77%
Other financing sources (uses)											
Issuance of debt	619	222	1,974	217,744	-	153,005	-	-	-	-	-100.00%
Proceeds from sale of capital assets	9	33	3	3	-	-	-	-	-	-	-100.00%
Issuance of refunding bonds	126,325	-	-	-	45,170	-	-	26,345	61,345	-	-100.00%
Premium on lease revenue and revenue refunding bonds	18,690	-	-	13,860	4,090	17,667	-	4,949	8,454	-	-100.00%
Payment to bond refunding escrow/agent	(143,364)	-	-	-	(49,993)	-	-	(31,145)	(68,829)	(73,730)	-48.57%
Leases	-	-	-	-	-	-	36,920	2,367	17,961	5,302	100.00%
Subscriptions	-	-	-	-	-	-	-	1,761	11,120	3,323	100.00%
Transfers in	133,978	135,225	153,067	158,943	226,064	180,939	188,408	227,581	182,193	392,368	192.86%
Transfers out	(183,297)	(185,500)	(204,018)	(210,233)	(274,707)	(244,861)	(241,178)	(269,496)	(229,756)	(444,399)	142.45%
Total other financing sources (uses)	(47,040)	(50,020)	(48,974)	180,317	(49,376)	106,750	(15,850)	(37,638)	(17,512)	(117,136)	149.01%
Change in fund balances before special item	82,198	87,589	112,201	493,758	218,825	160,954	206,702	302,650	356,237	315,518	283.85%
Special item	(19,538)	(33,600)	(27,630)	(50,668)	(28,723)	-	-	-	-	-	100.00%
Net change in fund balances	\$ 62,660	\$ 53,989	\$ 84,571	\$ 443,090	\$ 190,102	\$ 160,954	\$ 206,702	\$ 302,650	\$ 356,237	\$ 315,518	403.54%
Debt service as a percentage of noncapital expenditures	3.46%	4.70%	4.30%	4.11%	4.37%	3.48%	3.74%	3.23%	3.00%	2.60%	

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

* Historically, General Fund departments in various programs/functions moved their shares of debt service payments and 10% surcharges (as "program expenses") to a "general government" program (as "intrafund revenues"). This program then transferred the departments' contributions to the County's Debt Service and Capital Projects Funds (as "transfers-out") accordingly. The 10% surcharge was split equally between Debt Service Fund and Capital Project Fund.

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

Fiscal Year	Property Taxes	Sales & Use Taxes	Property Transfer Taxes	Vehicle Rental Business License Tax ¹	All Other Taxes	Total
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 ²	127,083	11,315	11,540	3,163	868,892
2020	662,780	118,681	10,291	10,911	2,904	805,567
2021	614,645	108,058	13,575	2,476	3,635	742,389
2022	828,074	138,752	16,234	8,668	6,040	997,768
2023	873,822	155,103	9,663	12,899	6,453	1,057,940
2024	887,740	147,136	5,696	12,956	7,978	1,061,506
2025	944,803	148,088	10,398	12,880	8,552	1,124,721
10 year % of change	95.9%	50.4%	4.2%	6.1%	232.0%	85.7%



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

Notes:

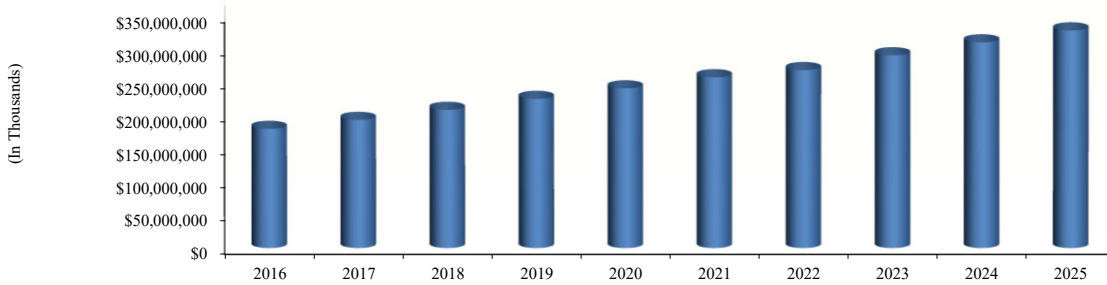
¹ In June 2012, with the voters' approval, the County adopted an ordinance to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The Vehicle Rental Business License Tax was imposed at a rate of 2.5% on the gross receipts of vehicle rental businesses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

² In FY 2018-19, County received one-time distribution of \$45 million excess ERAF due to County's revised distribution schedule.

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

Fiscal Year	Real Property²	Personal Property	Less: Tax Exempt Real Property	Plus: Tax Exempt Homeowner	Total Taxable Assessed Value¹	% of Change Total Taxable Assessed Value	Total Direct Tax Rate
2016	\$ 177,738,379	\$ 6,972,721	\$ 5,501,611	\$ 870,020	\$ 180,079,509	8%	1%
2017	190,856,437	7,313,377	5,376,465	859,960	193,653,309	8%	1%
2018	205,112,738	8,339,059	5,492,569	850,200	208,809,428	8%	1%
2019	221,992,874	9,209,736	6,595,761	842,934	225,449,783	8%	1%
2020	238,245,297	9,777,421	7,568,631	835,055	241,289,142	7%	1%
2021	255,589,248	9,623,584	7,955,611	826,415	258,083,636	7%	1%
2022	267,655,100	9,425,418	8,974,402	821,011	268,927,127	4%	1%
2023	290,316,446	9,839,325	9,708,110	810,088	291,257,749	8%	1%
2024	309,458,899	10,896,115	10,328,618	802,169	310,828,565	7%	1%
2025	327,000,579	11,030,582	9,888,614	794,166	328,936,713	6%	1%
10 year % of Change	83.98%	58.20%	79.74%	-8.72%	82.66%		

Total Taxable Assessed Value



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

Notes:

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

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

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

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

Fiscal Year³	Direct Rate¹	Overlapping Rates²			Total
	County General	Local Special Districts	Schools	Cities	
2016	1.0000	0.0011	0.1284	0.0032	1.1327
2017	1.0000	0.0010	0.1333	0.0029	1.1372
2018	1.0000	0.0010	0.1315	0.0027	1.1352
2019	1.0000	0.0014	0.1235	0.0025	1.1274
2020	1.0000	0.0013	0.1328	0.0023	1.1364
2021	1.0000	0.0013	0.1254	0.0044	1.1311
2022	1.0000	0.0012	0.1285	0.0037	1.1334
2023	1.0000	0.0010	0.1198	0.0034	1.1242
2024	1.0000	0.0010	0.1350	0.0038	1.1398
2025	1.0000	0.0010	0.1356	0.0033	1.1399

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

Notes:

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

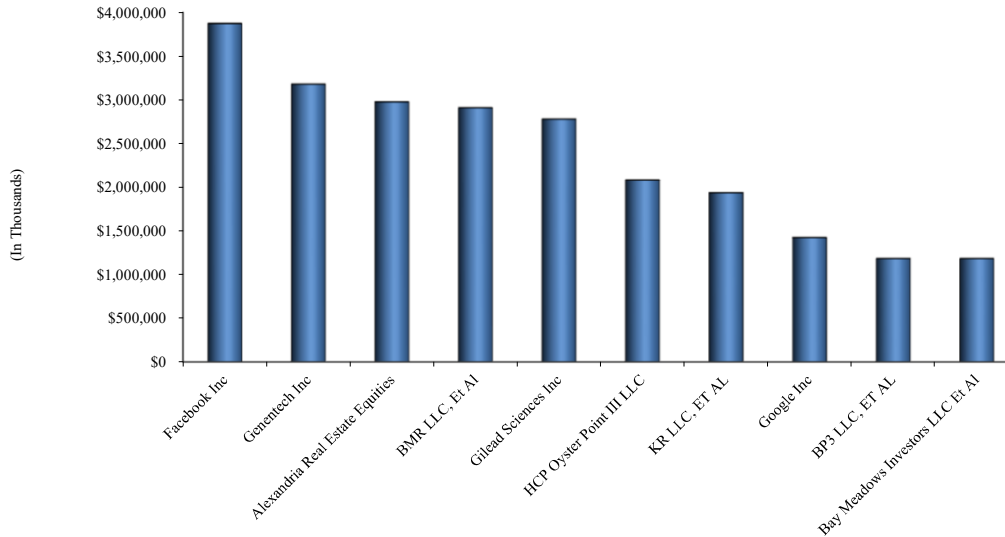
² These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

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

COUNTY OF SAN MATEO
Principal Property Assesseees
As of January 1, 2025 and January 1, 2016
(In Thousands)

Assessee	Nature of Business	As of January 1, 2025			As of January 1, 2016		
		Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value ²	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value
Facebook Inc	Technology	\$ 3,874,624	1	1.18%			
Genentech Inc	Biotechnology	3,180,029	2	0.97%	1,846,046	1	1.03%
Alexandria Real Estate Equities	Real Estate	2,977,221	3	0.91%	386,589	9	0.22%
BMR LLC, Et Al	Real Estate	2,909,904	4	0.88%			
Gilead Sciences Inc	Biopharmaceutical	2,779,262	5	0.84%	1,469,760	3	0.82%
HCP Oyster Point III LLC	Biotechnology	2,082,378	6	0.63%			
KR LLC, ET AL	Consulting	1,937,282	7	0.59%			
Google Inc	Technology	1,422,916	8	0.43%	952,354	4	0.53%
BP3 LLC, ET AL	Transportation	1,183,220	9	0.36%			
Bay Meadows Investors LLC Et Al	Investments	1,182,760	10	0.36%			
United Airlines	Air Carrirer				1,481,234	2	0.83%
Oracle Corporation	Software				656,460	5	0.36%
Slough BTC LLC	Lease				594,225	6	0.33%
Slough SSF LLC DE	Lease				506,219	7	0.28%
Peninsula Innovation Partners LLC	Financial Services/Consulting				401,024	8	0.22%
Giant Properties, LLC	Real Estate				380,641	10	0.21%
Total		\$ 23,529,596		7.15%	\$ 8,674,552		4.84%

Principal Property Assesseees
As of January 1, 2025



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

Notes:

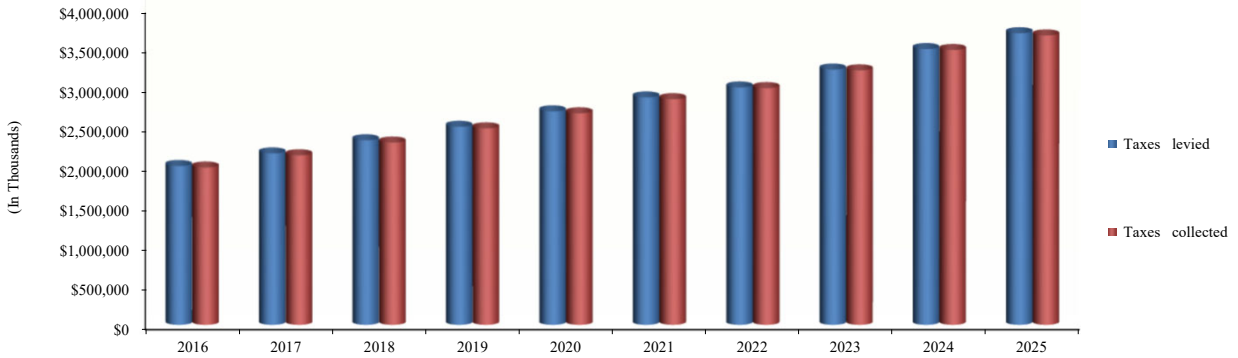
¹ Taxable assessed value includes locally and state assessed real and personal properties.

² Total taxable assessed value as of January 1, 2025 was approximately \$328 billion.

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

Fiscal Year	Total Tax Levy for the Fiscal Year					Collected within the Fiscal Year of the Levy			Total Collections to Date	
	General Levy ¹	Debt Service Levy ²				Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
	Countywide	Local Special Districts	Schools	Cities	Total ³					
2016	\$ 1,800,795	\$ 1,716	\$ 201,131	\$ 5,051	\$ 2,008,693	\$ 1,985,831	98.86%	\$ 3,950	\$ 1,989,781	99.06%
2017	1,936,533	1,636	224,731	4,865	2,167,765	2,142,107	98.82%	2,130	2,144,237	98.91%
2018	2,088,094	1,897	239,323	4,880	2,334,194	2,302,415	98.64%	2,810	2,305,225	98.76%
2019	2,254,498	2,742	242,669	4,908	2,504,817	2,483,644	99.15%	1,277	2,484,921	99.21%
2020	2,412,891	2,825	279,525	4,816	2,700,057	2,665,985	98.74%	9,861	2,675,846	99.10%
2021	2,580,836	2,824	282,494	9,823	2,875,977	2,848,982	99.06%	4,813	2,853,795	99.23%
2022	2,689,271	2,755	301,732	8,577	3,002,335	2,983,060	99.36%	11,046	2,994,106	99.73%
2023	2,912,577	2,659	304,570	8,666	3,228,472	3,205,184	99.28%	13,040	3,218,224	99.68%
2024	3,108,286	2,659	366,534	10,206	3,487,685	3,460,918	99.23%	14,940	3,475,858	99.66%
2025	3,289,367	2,897	386,406	9,418	3,688,088	3,659,439	99.22%	n/a	3,659,439	99.22%

Property Tax Levies and Collections



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

Notes:

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

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

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

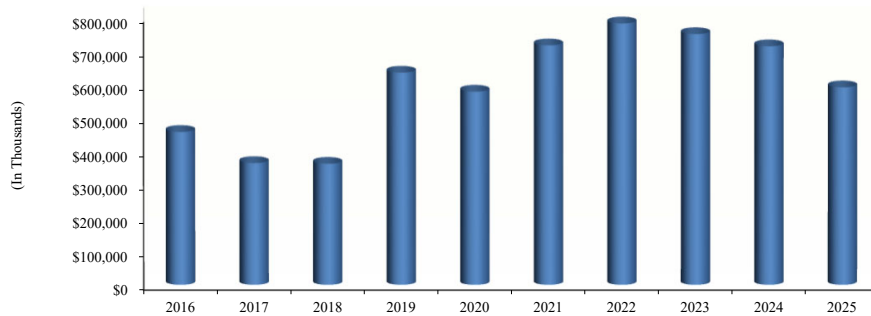
³ Total taxes levied for each fiscal year are based on the original property value assessment rolls provided by the County Assessor's Office.

n/a - Information is unavailable.

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

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita (In Absolute \$)
	Lease Revenue Bonds ¹	Revenue Refunding Bonds ²	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal	Notes Payable	Leases/ Subscriptions Payable	Other Long-term Obligation	Subtotal				
2016	\$ 432,360	\$ 18,725	\$ -	\$ 2,946	\$ 454,031	\$ 3,511	\$ -	\$ -	\$ 3,511	\$ 457,542	0.56%	\$ 667	
2017	339,390	18,095	-	2,613	360,098	3,116	-	1,158	4,274	364,372	0.41%	618	
2018	336,157	17,465	-	4,441	358,063	2,706	-	1,409	4,115	362,178	0.38%	569	
2019	608,022	19,076	-	4,397	631,495	2,277	-	1,138	3,415	634,910	0.64%	738	
2020	570,202	-	-	4,249	574,451	2,207	-	1,337	3,544	577,995	0.54%	747	
2021	708,620	-	-	4,098	712,718	2,135	-	1,587	3,722	716,440	0.56%	936	
2022	677,050	-	62,573	3,944	743,567	2,059	34,693	1,795	38,547	782,114	0.66%	1,056	
2023	649,638	-	59,140	3,787	712,565	1,980	33,553	2,079	37,612	750,177	0.60%	1,017	
2024	608,226	-	64,792	3,627	676,645	1,897	32,802	2,393	37,092	713,737	n/a	954	
2025	498,000	-	51,057	3,455	552,512	1,811	34,037	2,633	38,481	590,993	n/a	790	

County Debt



Source: County Annual Comprehensive Financial Reports.

Notes:

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

² In FY 2015-16, the San Mateo County Flood Control District issued \$21.5 million Revenue Refunding Bonds to refund the certificates of participation. In FY 2019-20, Revenue Refunding Bonds were transferred out of the County as part of the transition of the Colma Creek Flood Control District from the County's reporting entity pursuant to Assembly Bill No. 825.

n/a - Information is unavailable.

COUNTY OF SAN MATEO
Direct and Overlapping Debt
As of June 30, 2025
(In Thousands)

Assessed valuation (including unitary utility valuation)	\$ 328,547,560		
Redevelopment Incremental Assessed Valuation	\$ 36,122,746		
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
	Debt	Estimated	Estimated
	Outstanding	Percentage	Share of
		Applicable¹	Overlapping
			Debt⁴
Direct General Fund Obligation Debt			
San Mateo County General Fund Obligations	\$ 498,000	100.00%	\$ 498,000
Leases payable	43,815	100.00%	43,815
Subscriptions payable	7,242	100.00%	7,242
Other long-term obligations	3,455	100.00%	3,455
Total direct debt	552,512		552,512
Overlapping General Fund Obligation Debt			
<i>Cities</i>			
City of Burlingame General Fund and Pension Obligations	39,810	100.00%	39,810
City of Pacifica General Fund Obligations and Pension Obligations	21,125	100.00%	21,125
City of San Mateo General Fund Obligations	55,355	100.00%	55,355
City of South San Francisco General Fund Obligation Bonds	179,935	100.00%	179,935
Other City General Fund and Pension Obligations	80,059	100.00%	80,059
<i>Special Districts</i>			
Midpeninsula Regional Open Space Park General Fund Obligations	74,066	32.28%	23,908
Woodside Fire Protection District Certificates of Participation	11,280	100.00%	11,280
Highland Recreation District General Fund Obligations	1,731	100.00%	1,731
San Mateo County Flood and Sea LRR District General Fund Obligations	12,200	100.00%	12,200
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,185	100.00%	3,185
<i>School Districts</i>			
San Mateo County Board of Education Certificates of Participation	5,330	100.00%	5,330
South San Francisco Unified School District Certificates of Participation	2,340	100.00%	2,340
Jefferson Union High School District Certificates of Participation	46,845	100.00%	46,845
Belmont-Redwood Shores School District Certificates of Participation	4,494	100.00%	4,494
Portola Valley School District Certificates of Participation	482	100.00%	482
San Bruno School District General Fund Obligations	1,095	100.00%	1,095
Total overlapping general fund obligation debt	539,332		489,174
Overlapping Tax and Assessment Debt			
<i>Cities</i>			
	122,425	100.00%	122,425
<i>Special Districts</i>			
Midpeninsula Open Space Park District	114,920	32.28%	37,095
Montara Sanitary District	3,365	100.00%	3,365
Community Facilities Districts	130,085	100.00%	130,085
1915 Act Bonds	5,951	100.00%	5,951
<i>School Districts</i>			
San Mateo Community College District	655,172	100.00%	655,172
Cabrillo Unified School District	153,605	100.00%	153,605
La Honda-Pescadero Unified School District	12,263	100.00%	12,263
South San Francisco School District	283,312	100.00%	283,312
Jefferson Union High School District	379,274	100.00%	379,274
San Mateo Union High School District	668,248	100.00%	668,248
Sequoia Union High School District	449,512	100.00%	449,512
Belmont-Redwood Shores School and School Facilities Improvement Districts	177,520	100.00%	177,520
Burlingame School District	183,068	100.00%	183,068
Hillsborough School District	134,153	100.00%	134,153
Jefferson School District	144,535	100.00%	144,535
Las Lomas School District	110,835	100.00%	110,835
Menlo Park City School District	173,018	100.00%	173,018
Redwood City School District	241,985	100.00%	241,985
San Carlos School District	140,271	100.00%	140,271
San Mateo - Foster City School District	508,668	100.00%	508,668
Other School District	435,793	100.00%	435,793
Total overlapping tax and assessment debt	5,227,978		5,150,153
Overlapping Tax Increment Debt			
	86,519	100.00%	86,519
Total overlapping debt	5,853,829		5,725,846
Total direct and overlapping debt	\$ 6,406,341²		\$ 6,278,358
Ratio of total direct and overlapping debt to adjusted assessed value:			
	1.95%		
Ratio of total overlapping tax increment debt to redevelopment incremental assessed value ³ of \$36,122,746			
	0.24%		

Source: California Municipal Statistics, Inc.

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

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

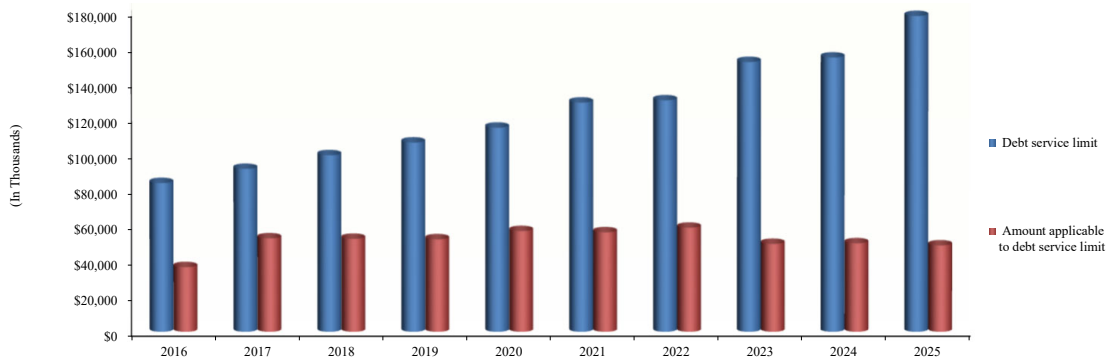
³ Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment.

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Average Annual County budget ¹ for the current and preceding four fiscal years	\$ 2,095,976	\$ 2,295,408	\$ 2,487,914	\$ 2,667,040	\$ 2,876,603	\$ 3,230,258	\$ 3,261,983	\$ 3,801,986	\$ 3,864,641	\$ 4,449,815
Legal debt service limit ²										
4% of average county annual budget for the current and preceding four fiscal years	83,839	91,816	99,517	106,682	115,064	129,210	130,479	152,080	154,586	177,993
Less: Amount applicable to debt service limit ³	(36,436)	(52,661)	(52,384)	(52,119)	(56,781)	(56,060)	(58,641)	(49,542)	(49,882)	(48,662)
Legal debt service margin	\$ 47,403	\$ 39,155	\$ 47,133	\$ 54,563	\$ 58,283	\$ 73,150	\$ 71,838	\$ 102,538	\$ 104,704	\$ 129,331
Legal debt service margin as a percentage of debt service limit	56.54%	42.65%	47.36%	51.15%	50.65%	56.61%	55.06%	67.42%	67.73%	72.66%

Legal Debt Service Limit



Source: County's Adopted Budget Books

Notes:

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

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

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

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

1993 Lease Revenue Bonds
Purpose: Defeased 1991 Certificates of Participation and financed the costs of a parking garage and jail.

Funding Source: General Fund and Criminal Justice Facilities Fund.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2016	\$ 4,889	\$ 3,730	\$ 1,613	0.92
2017	4,886	3,975	1,234	0.94
2018	4,889	4,230	1,125	0.91
2019	4,894	4,450	789	0.93
2020	3,938	4,675	508	0.76
2021	260	4,960	384	0.05
2022	-	5,205	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

2013 Lease Revenue Bonds
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.

County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2016	\$ 3,073	\$ 1,155	\$ 1,918	1.00
2017	3,071	1,200	1,871	1.00
2018	3,066	1,250	1,816	1.00
2019	3,071	1,320	1,751	1.00
2020	3,069	1,385	1,684	1.00
2021	2,185	550	1,635	1.00
2022	2,187	580	1,607	1.00
2023	2,187	610	1,577	1.00
2024	661	645	16	1.00
2025	-	-	-	-

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

Funding Source: County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2016	\$ 8,079	\$ -	\$ 8,079	1.00
2017	25,824	17,745.00	8,079	1.00
2018	25,453	18,085	7,368	1.00
2019	23,464	16,910	6,554	1.00
2020	20,484	14,690	5,794	1.00
2021	17,342	12,220	5,122	1.00
2022	14,024	9,450	4,574	1.00
2023	13,300	9,185	4,115	1.00
2024	10,945	8,895	2,050	1.00
2025	-	-	-	-

2016 Lease Revenue 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.

County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2016	\$ -	\$ -	\$ -	-
2017	7,744	3,375	4,369	1.00
2018	7,741	3,290	4,451	1.00
2019	7,743	3,410	4,333	1.00
2020	7,744	3,550	4,194	1.00
2021	7,744	3,695	4,049	1.00
2022	7,748	3,850	3,898	1.00
2023	7,741	4,020	3,721	1.00
2024	7,744	4,230	3,514	1.00
2025	7,747	4,450	3,297	1.00

1993 Satellite Clinic
Purpose: To finance a portion of the costs of constructing and equipping the North County Satellite Clinic and an adjacent parking structure.

Funding Source: Health department.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2018	\$ 925	\$ 233	\$ 692	1.00
2019	955	227	728	1.00
2020	995	220	775	1.00
2021	1,035	216	819	1.00
2022	1,075	209	866	1.00
2023	1,115	204	911	1.00
2024	1,160	200	960	1.00
2025	1,205	196	1,009	1.00

2018 Lease Revenue Bonds
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.

County departments occupying the facilities.

Fiscal Year	Available Revenue	Debt Service		Coverage ratio ¹
		Principal	Interest	
2018	\$ -	\$ -	\$ -	-
2019	1,669	-	1,669	1.00
2020	10,013	-	10,013	1.00
2021	10,013	-	10,013	1.00
2022	11,159	1,175	9,984	1.00
2023	11,154	1,230	9,924	1.00
2024	13,184	3,375	9,809	1.00
2025	13,181	3,545	9,636	1.00

(Continued)

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

	2019 Revenue Refunding Bonds	2021A Lease Revenue Bonds
Purpose:	To provide funds, together with other available moneys, to (i) refund the outstanding 2009 Bonds, and (ii) pay costs of issuance.	To provide funds, together with other available moneys, to (i) finance the reconstruction and equipping of the Cordilleras Mental Health Center, (ii) pay capitalized interest through June 15, 2024, and (iii) pay costs of issuance.
Funding Source:	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	Revenue	Principal	Interest			Revenue	Principal	
2020	\$ 552	\$ -	\$ 552	1.00	\$ -	\$ -	\$ -	-
2021	2,259	-	2,259	1.00	-	-	-	-
2022	9,127	7,045	2,082	1.00	4,709	-	4,709	1.00
2023	9,146	7,425	1,721	1.00	4,900	-	4,900	1.00
2024	8,789	7,440	1,349	1.00	4,900	-	4,900	1.00
2025	8,632	7,660	972	1.00	4,900	-	4,900	1.00

	2023A Revenue Refunding Bonds	2024A Revenue Refunding Bonds
Purpose:	To provide funds, together with other available moneys, to (i) refund the outstanding 2013 Bonds, (ii) pay costs of issuance.	To provide funds, together with other available moneys, to (i) refund the outstanding 2014 Bonds, (ii) pay costs of issuance.
Funding Source:	County departments occupying the facilities.	County departments occupying the facilities.

Fiscal Year	Available	Debt Service		Coverage ratio ¹	Available	Debt Service		Coverage ratio ¹
	Revenue	Principal	Interest			Revenue	Principal	
2023	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2024	981	-	981	1.00	722	-	722	1.00
2025	1,420	105	1,315	1.00	10,633	7,645	2,988	1.00

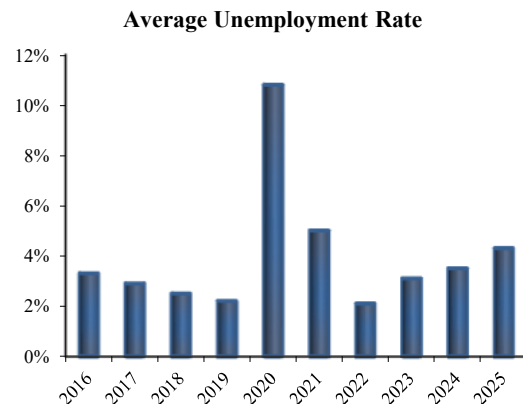
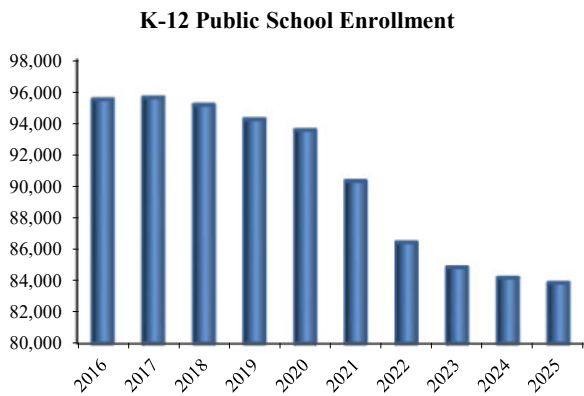
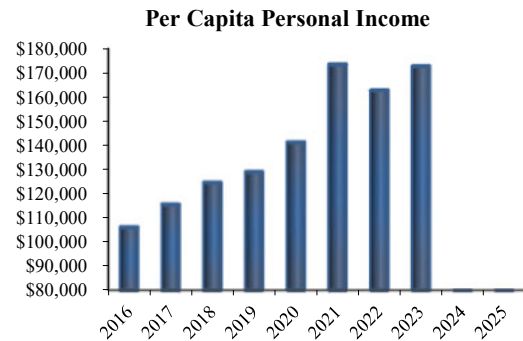
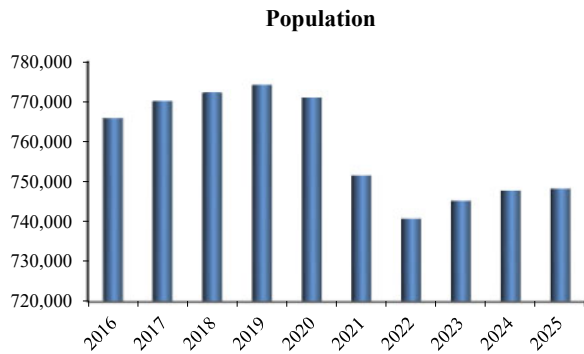
Sources:

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

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

COUNTY OF SAN MATEO
Demographic and Economic Statistics
Last Ten Years

Year	Population ¹ (January 1st)	Total Personal Income ⁵ (in millions)	Per Capita Personal Income ⁵	Median Age ⁴	K-12 Public School Enrollment ²	Average Unemployment Rate ³
2016	765,895	\$ 81,488	\$ 106,115	39.5	95,502	3.3%
2017	770,256	89,149	115,556	39.9	95,620	2.9%
2018	772,372	96,226	124,705	39.9	95,155	2.5%
2019	774,231	99,157	129,043	39.9	94,234	2.2%
2020	771,061	107,775	141,348	39.8	93,554	10.8% ⁶
2021	751,596	128,260	173,524	40.8	90,315	5.0%
2022	740,821	118,716	162,863	41.4	86,422	2.1%
2023	745,302	125,534	172,828	41.5	84,836	3.1%
2024	747,777	n/a	n/a	41.5	84,180	3.5%
2025	748,337	n/a	n/a	n/a	83,855	4.3%



Sources:

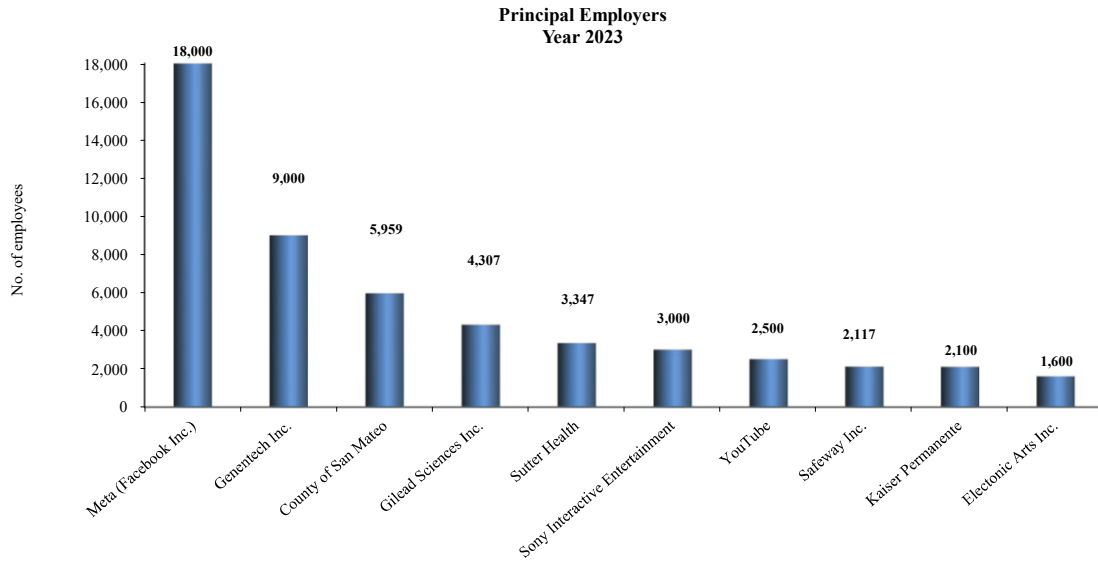
- ¹ Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.
- ² Data include retroactive revisions by the State of California Department of Education.
- ³ Data include retroactive revisions by the State of California Employment Development Department.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

Note:

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

**COUNTY OF SAN MATEO
Principal Employers
Year 2023 and Year 2016**

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



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

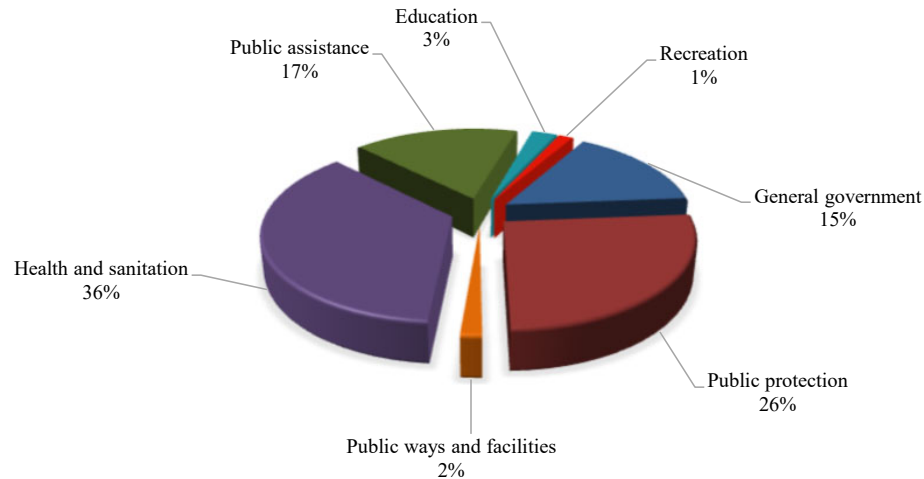
Notes:

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

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	746	762	796	811	866	863	863	867	922	916
Public protection	1,545	1,581	1,606	1,621	1,592	1,603	1,591	1,574	1,573	1,551
Public ways and facilities	92	86	86	86	87	87	87	87	92	92
Health and sanitation	1,961	1,955	1,976	2,011	2,015	2,002	2,024	2,090	2,151	2,152
Public assistance	921	924	924	928	939	938	943	965	995	1,002
Education	110	109	111	111	113	116	122	136	141	151
Recreation	64	68	71	72	74	74	75	75	85	85
Total full-time equivalent employees ¹	5,439	5,485	5,570	5,640	5,686	5,683	5,705	5,794	5,959	5,949

Full-time Equivalent County Employees by Function
As of June 30, 2025



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

Notes:

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

COUNTY OF SAN MATEO
Operating Indicators by Function
Fiscal Years 2024 and 2025

<u>Function</u> ¹	<u>Fiscal Year</u> ²	
	<u>2024</u>	<u>2025</u>
General Government		
<i>County Executive's Office</i>		
Issuer credit rating from Moody's/Standard & Poor's	Aaa/AAA	Aaa/AAA
<i>County Attorney's Office (CAO)</i>		
Percent of post-litigation survey respondents rating services as very satisfied or mostly satisfied	100%	100%
Percent of employees completing annual legal training	100%	100%
<i>Treasurer Tax Collector</i>		
Dollar earnings in County pool due to investments	\$296M	\$300M
Public Protection		
<i>District Attorney (DAO)</i>		
Number of elder abuse cases referred to the DAO for criminal charges by age group	967	938
<i>Private Defender Program</i>		
Number of criminal arraignments, both limited and general	21,244	21,250
Number of client complaints		
Relationship issues	63	63
Performance issues	33	33
<i>Sheriff's Office</i>		
<i>Forensic Laboratory</i>		
Average number of days to analyze sexual assault kits with qualifying DNA profiles and enter in CODIS	112	108
<i>Patrol Bureau</i>		
Average response time for priority one calls	5 mins	5 mins
Percent of domestic violence calls successfully referred to intervention programs	100%	100%
<i>Investigations Bureau</i>		
Annual clearance rates of violent crimes	54%	54%
<i>Homeland Security</i>		
Number of hours donated by Sheriff's Office volunteers	33,451	22,205
<i>Correctional Facility</i>		
Percent of inmates working with in-custody case managers	90%	88%
<i>Probation Department</i>		
<i>Adult and Juvenile Services</i>		
Probation outcomes for adult clients	54%	60%
Probation outcomes for juvenile clients	88%	72%
<i>Coroner's Office</i>		
Average cost per investigation	\$2,924	\$3,104
Percent of cases closed within 90 days	61%	80%
Percent of staff who completed a cultural sensitivity training	94%	90%
Public Ways and Facilities		
<i>Department of Public Works</i>		
<i>Community Services</i>		
³ Use of battery powered hand tools	5	3
Percent of staff meeting the annual training target of 20 hours	84%	85%
<i>Construction Services</i>		
Increase the percentage productivity rate of Construction Services (CSS) staff	61%	66%
<i>Utilities</i>		
Percent of streetlights repaired in ten working days	79%	95%
<i>Airports</i>		
Percentage of aircrafts operating in adherence with voluntary noise abatement procedures	99%	99%
Health and Sanitation		
<i>Health System</i>		
<i>Health Services</i>		
Life expectancy (age)	86.6	87
<i>Health Administration</i>		
Percentage of lunch and learn participants responding to post session evaluation who report improved knowledge as a result of the session	89.8%	89.8%
<i>Public Health, Policy and Planning</i>		
Percent of HIV clients with undetectable viral load	93%	93%

Source: County's Recommended Budget for FY 2025-27

n/a - not applicable

¹ Functions/programs operate by the County.

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

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

(Continued)

COUNTY OF SAN MATEO
Operating Indicators by Function (continued)
Fiscal Years 2024 and 2025

Function ¹	Fiscal Year ²	
	2024	2025
Health and Sanitation		
<i>Health System</i>		
Aging and Disability Services		
³ Monitor recipients of the Family Caregiver Support Program to ensure they are well matched when their unpaid family caregiver receives respite time from a caregiver compensated by the program	60%	80%
Environmental Health Services		
Number of violations observed per inspection	1.2	2.0
Family Health Services		
Breastfeeding rate of Women, Infants, and Children (WIC) babies at 6-Months-old, San Mateo County	56%	59%
Breastfeeding rate of Women, Infants, and Children (WIC) babies at 6-Months-old, State of California	47%	50%
Correctional Health Services		
Percentage of incarcerated individuals diagnosed with a substance use disorder who are engaged in medication assisted treatment	31%	34%
Contribution to Medical Center		
³ Percent of patients receiving prenatal care within the first trimester	86.4%	78.5%
San Mateo Medical Center (SMMC)		
³ Percent of San Mateo Medical Center patients up to date with childhood immunization	51.3%	39.9%
Electronic Health Record (EHR)		
Percentage of key milestones achieved for the EHR implementation	70%	100%
Public Assistance		
<i>First 5 San Mateo County</i>		
Number of clients served through funded services	12,102	10,500
<i>In-Home Supportive Services (IHSS) Public Authority</i>		
Percent of IHSS registry providers who are proficient in the languages spoken by recipients to ensure effective communication	39%	60%
<i>Human Services Agency (HSA)</i>		
Key Performance Measures		
³ Number of focused outreach and recruitment efforts implemented	4	3
³ Number of focused retention efforts implemented	3	3
³ Percentage of HSA workforce who complete staff development training	99%	92%
³ Number of disadvantaged County residents receiving outreach	6,466	6,000
³ Percentage of homeless CalWORKs recipients successfully referred to permanent housing	100%	100%
³ Percentage of homeless CalWORKs recipients successfully transitioned to permanent housing	42%	75%
³ Number of clients served by employment services	1,062	876
Vocational Rehabilitation Services (VRS)		
Number of clients served by VRS	791	621
Center on Homelessness		
Number of clients served by Core Service agencies	52,682	5,300
Children and Family Services		
⁴ Rate of allegations substantiated per 1,000 children	0.9	0.9
<i>Department of Child Support Services</i>		
Social Services		
³ Percent of current support collected	71%	71%
Percent of cases with a child support order	93%	93%
Percent of cases with an arrears collection in the Federal fiscal year	70%	70%
<i>Department of Housing</i>		
Housing & Community Development		
³ Percent of affordable housing developed in high-opportunity, jobs-rich (HOJR) areas through the provision of local and federal loan funds	35.24%	35.00%
Number of households that have remained sheltered, stably housed and/or received support for their basic needs through federal and state assisted programs (e.g. CDBG/ESG/PLHA)	13,631	15,000
Maintain greater than 95% voucher utilization	95%	96%
Housing Authority		
Number of family self-sufficiency program participants exiting the voucher program with increased economic self-sufficiency	38	19
Recreation		
<i>Parks & Recreation</i>		
Percent of reservations made by individuals residing in disadvantaged communities	26%	26%
Percent of interpretative programs offered to disadvantaged communities	55%	50%
Total acreage of fire fuel reduced	158.85	175.00
<i>Coyote Point Marina</i>		
Percent of berths filled	70%	70%

Source: County's Recommended Budget for FY 2025-27

n/a - not applicable

¹ Functions/programs operate by the County.

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

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

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General government										
Child care centers	2	2	2	2	2	2	2	2	2	2
Fairground	1	1	1	1	1	1	1	1	1	1
Corporation yards	6	6	6	6	6	6	6	6	6	6
Law library	1	1	1	1	1	1	1	1	1	1
Office buildings	4	4	4	4	5	7	7	7	8	8
Parking structures	2	2	2	2	1	2	2	2	2	2
Public protection										
Fire stations	4	4	4	4	4	4	4	4	4	4
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Jail	2	3	3	3	2	2	2	2	2	2
Youth services center	1	1	1	1	1	1	1	1	1	1
Public ways and facilities										
Road										
Pavement (miles)	316.10	316.20	316.23	316.23	316.16	316.16	316.32	316.32	316.32	316.21
Bridges	33	33	33	33	33	33	33	33	33	33
Traffic signals	19	19	19	19	19	19	19	19	19	17
Flashing Beacons	4	4	2	6	6	6	6	6	6	6
Lighted Crosswalks	6	8	6	14	14	16	18	18	18	18
Radar Feedback signs	11	14	11	22	24	24	24	24	24	24
Sewer and water										
Sewer:										
Sanitary sewers (miles)	144.18	144.18	144.18	144.18	144.18	144.18	144.18	144.18	144.18	144.13
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	21	21	21	21	21	21	21
Storage capacity (thousands of gallons)	710	710	850	850	850	850	850	850	850	850
Lighting										
Street lights	2,194	2,197	2,197	2,197	2,199	2,202	2,203	2,203	2,206	2,254
Flood control										
Channels (miles)	7.7	7.7	7.7	7.7	0 ¹	0	0	0	0	0
Health and sanitation										
Warehouse	2	2	2	2	1	1	1	1	1	2
Psychiatric center	1	1	1	1	1	1	1	1	1	1
Satellite clinic	1	1	3	3	3	4	4	4	4	4
Public assistance										
Drug treatment center	1	1	1	1	1	1	1	1	1	1
Employment and training center	1	1	1	1	1	1	1	1	1	1
Animal Shelter	-	-	-	-	1	1	1	1	1	1
Homeless Shelter	2	2	2	2	2	5	5	5	6	7
Mental Health Center	-	-	-	1	1	1	1	1	1	1
Recreation										
Parks	20	20	20	20	23	24	24	24	24	24
Business-type Activities:										
Medical center	1	1	1	1	1	1	1	1	1	1
Airports	2	2	2	2	2	2	2	2	2	2
Coyote Point Marina Recreation Area	1	1	1	1	1	1	1	1	1	1

Sources:

County Capital Asset Master File
Department of Public Works

Notes:

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



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