



# **COUNTY of SAN MATEO, CALIFORNIA**



## **FINANCIAL HIGHLIGHTS**

FISCAL YEAR ENDED JUNE 30, 2019



JUAN RAIGOZA  
SAN MATEO COUNTY CONTROLLER

## Letter to the Residents of San Mateo County

I am honored to present the County's Financial Highlights report, also known as the Popular Annual Financial Report (PAFR), for fiscal year (FY) 2018-19.

The goal of this report is to provide financial information in an easy to understand manner that is transparent to our residents, policy leaders, and County management. It summarizes key financial information reported in the more detailed County's Comprehensive Annual Financial Report (CAFR).

In FY 2018-19, government-wide revenues totaled \$2.1 billion while expenditures totaled \$1.7 billion. As of June 30, 2019, total assets plus deferred outflows of resources were \$4.2 billion, and total liabilities plus deferred inflows of resources were \$1.8 billion. As a result, the County's net position (net worth) increased to \$2.4 billion as June 30, 2019.

The County has several major on-going capital projects, including completion of the Regional Operations Center, Cordilleras Health Facility, County Office Building No. 3, and the San Mateo Health Campus upgrade. These capital projects are needed to replace aging infrastructure, but will cost hundreds of millions of taxpayer dollars in construction and ongoing maintenance costs, of which \$674 million has been budgeted for FYs 2019-20 and 2020-21. It is important to recognize that increases to liabilities and ongoing expenditures can limit long-term growth and future financial strength. As such, investments in capital projects will continue to require robust budget planning and spending scrutiny.

Since the aftermath of the recession of 2008, San Mateo County has experienced eight years of economic growth, but as the pace of growth slows the County must remain mindful of future economic shifts to properly manage its finances from a long-term perspective.

Please visit our website at <https://controller.smcgov.org> to view or download copies of the CAFR, PAFR, Property Tax Highlights publication, and other reports.

I welcome your comments and questions at (650) 363-4777 or [controller@smcgov.org](mailto:controller@smcgov.org).

Sincerely,



Juan Raigoza  
San Mateo County Controller



The financial information in this report is derived from the County's Comprehensive Annual Financial Report (CAFR) for FY 2018-19. The CAFR is prepared in conformity with generally accepted accounting principles (GAAP), and provides details and disclosures required for fair presentation in conformity with GAAP. The CAFR is available for interested users at <https://controller.smcgov.org/document/2019-cafr>.



Facebook: <https://www.facebook.com/CountyofSanMateo>



Twitter: <https://twitter.com/sanmateoco>

## County Profile

Established in 1856, San Mateo County is home to advanced technology firms and towering redwood forests. The County occupies 455 square miles and contains 20 cities on the peninsula bounded by San Francisco to the North, Santa Clara and Santa Cruz counties to the South, San Francisco Bay to the East, and the Pacific Ocean to the West.

The County is a mix of suburban and rural areas sandwiched between two large urban areas (San Jose and San Francisco). Most of the County's population lives in the suburban corridor between the Santa Cruz Mountains and the picturesque San Francisco Bay. The coastal region of the County remains primarily rural and has some of California's most beautiful coastline.

A diversified group of industries thrive in the County including computer software, social media, biotechnology, hospitality, green technology, and transportation.

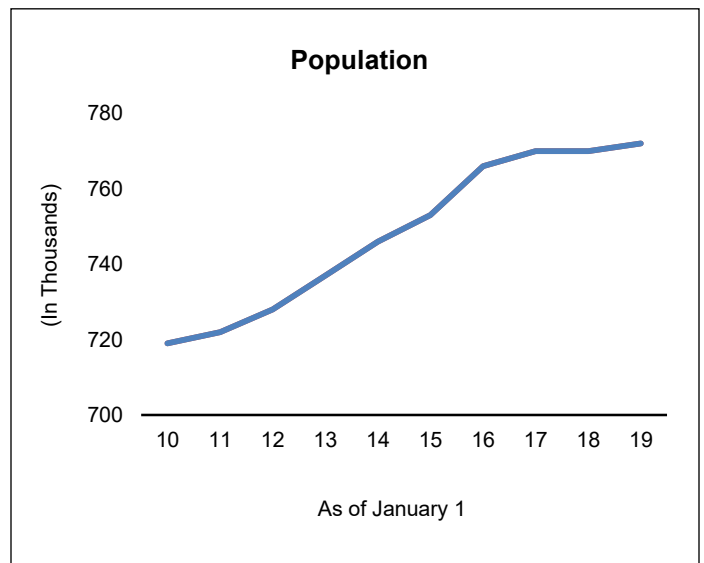
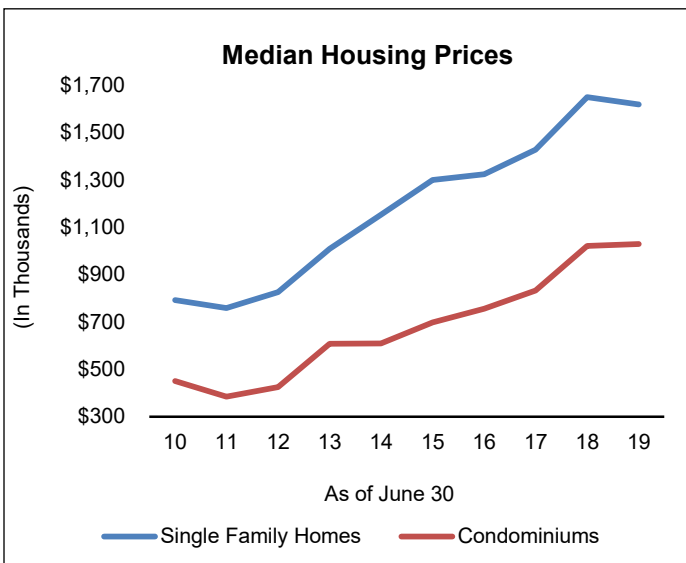
The County is home to numerous colleges and is close to three of the top research institutions in the world: the University of California at Berkeley, the University of California at San Francisco, and Stanford University.

The County, a subdivision of the State, provides a vast array of services for all residents in the County. These services include social services, public health protection, housing programs, property tax assessment, tax collection, elections, and public safety. The County also provides city-type services such as police, fire protection, sanitation, and street/road maintenance in unincorporated areas.



**The County is governed by a five-member Board of Supervisors elected by San Mateo County voters.**

From left to right and front to back: Name (District Number)  
 Warren Slocum (4), Don Horsley (3), Dave Pine (1)  
 Carole Groom - President (2), David J. Canepa (5)



*"Happiness is not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort."*  
**- Franklin D. Roosevelt (1882-1945)**

## Mission and Goals

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

The County is committed to:

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



**Shared Vision 2025** is the County's vision for a healthy and safe, prosperous, livable, environmentally conscious, and collaborative community. See sample progress measures below.

For more information see: <https://cmo.smcgov.org/document/shared-vision-2025>



### Healthy and Safe Community

**Subsidized Healthcare:** 163,573 County residents registered with programs that support healthcare coverage.

**Percent of San Mateo County 7th Graders Meeting Physical Fitness Standards:** 39% meet or exceed benchmark.



### Prosperous Community

**Improve Affordability of Housing and Basic Needs:** Unemployment rate of 2.2% as of June 2019.

**Close Education Achievement Gaps:** Average County high school graduation rate is 88.1%.



### Livable Community

**Visits to County Libraries and eBranch:** 5.8 million visitors in FY 2018-19.

**Visits to County Parks:** 2,954,520 individual County Park visitors in FY 2018-19.



### Environmentally Conscious

**Per Capita Trash Disposal:** 5.2 lbs/person/day.

**Reduce Greenhouse Gas Emissions:** 50% of County facilities are Energy Star Ratable Facilities.



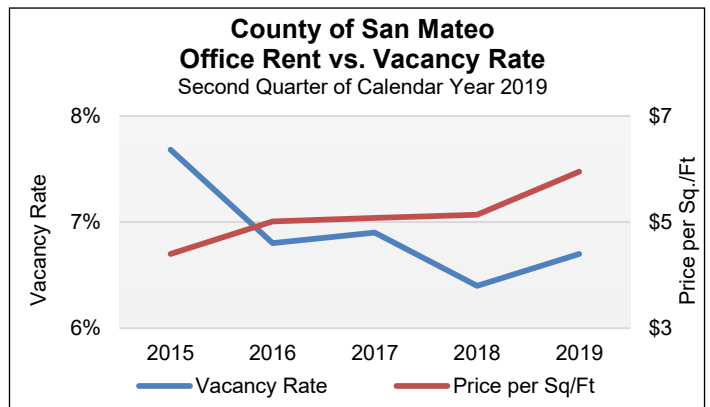
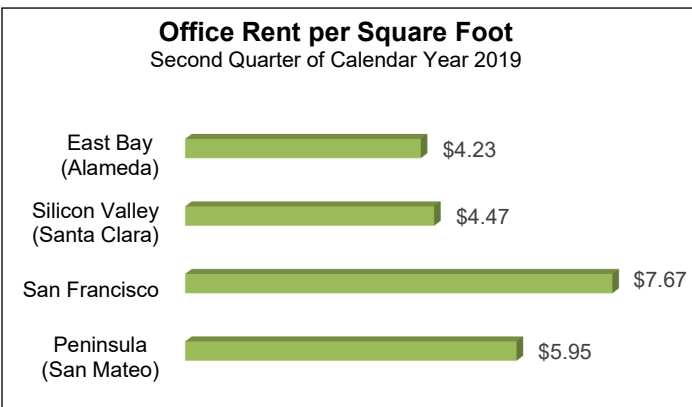
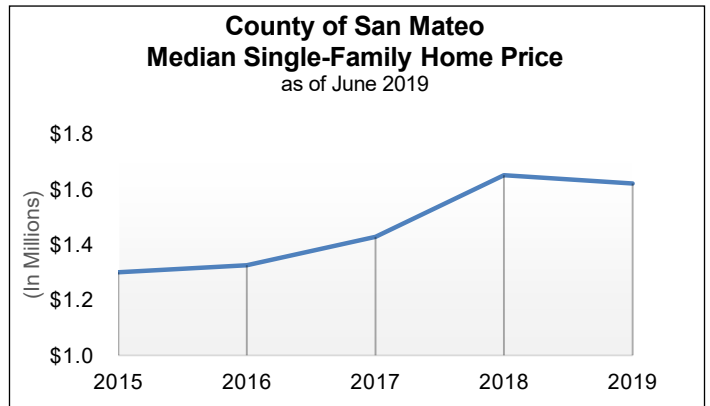
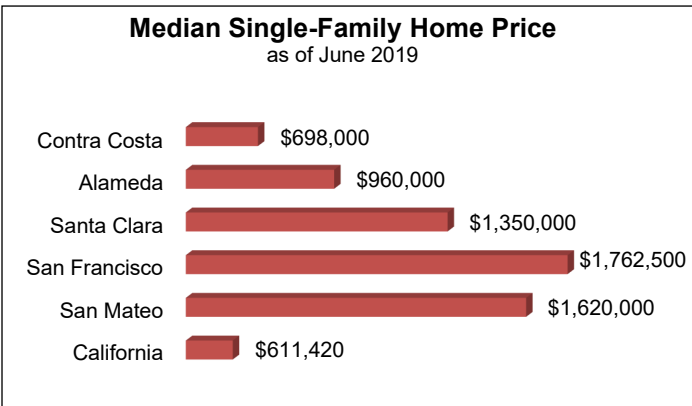
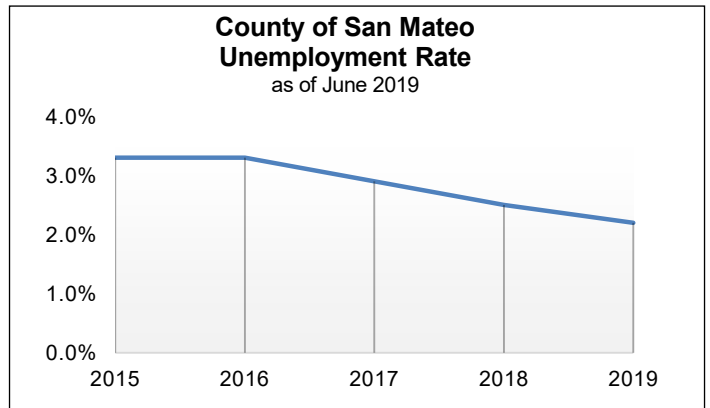
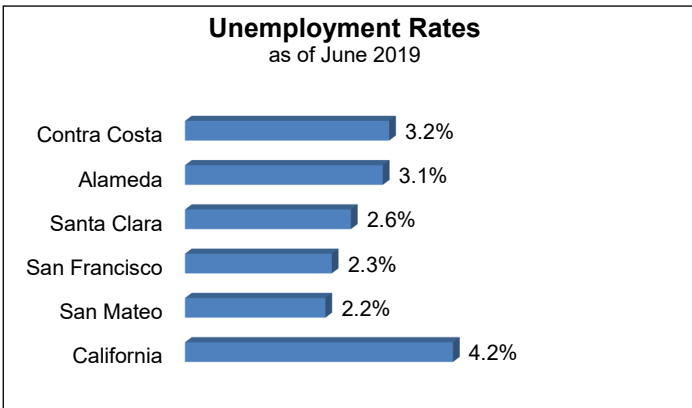
### Collaborative Community

**Open, Responsive and Effective Government:** Aaa/AAA credit rating awarded in October 2018.

**Open Data Shared:** 121,495 individual visitors to the Open Data Portals, including Open Checkbook listings.

# Statistical Information

The **Statistical Information** illustrates some key economic indicators that impact the finances of the County's residents, businesses, and the County itself. The County continued to have the lowest unemployment rate in the Bay Area and State. In addition to low unemployment, the County has experienced ever increasing housing prices for several years, which appears to be showing signs of plateauing. The office space lease market continues to show strength, with low vacancy rates and increased prices per square foot. This is an indicator of the local business community's strength.



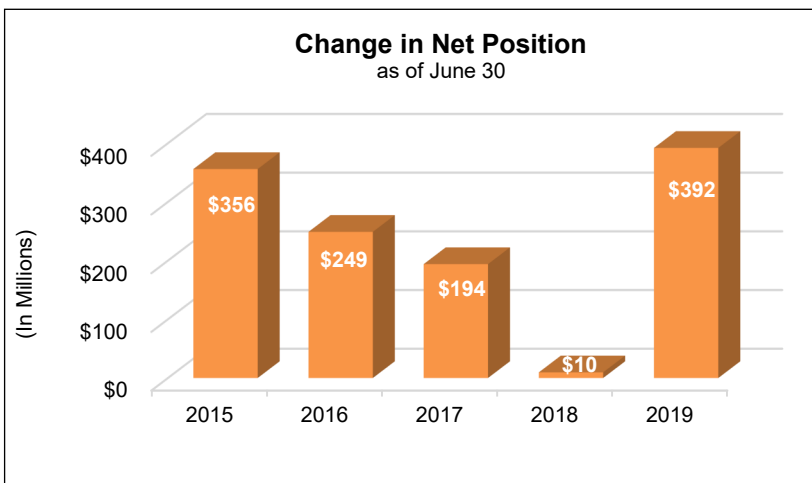
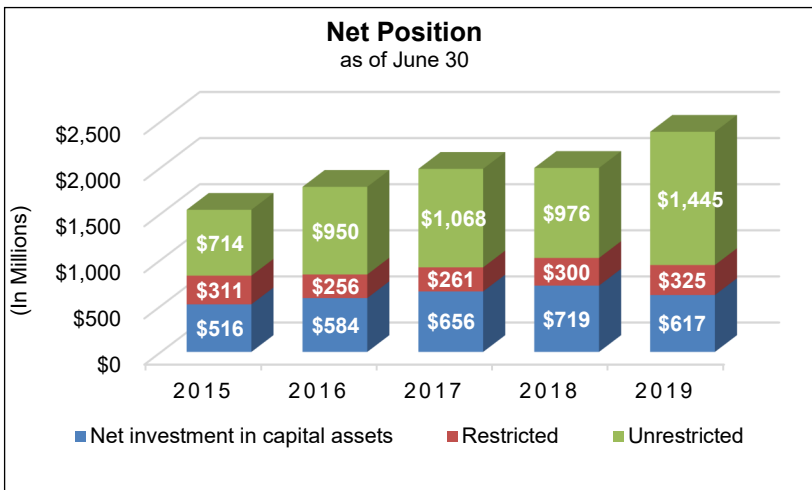
## Government-Wide Financial Position

The **Statement of Net Position** presents information on the County's assets, liabilities, deferred inflows/outflows of resources, and net position (net worth). Over time, increases or decreases in net position may serve as a useful indicator on whether the County's financial position is improving or declining. Significant changes to the assets and liabilities are discussed on the following page.

For FY 2018-19, the County's total net position increased by \$392 million to \$2.4 billion. This increase indicates that the financial position of the County is improving. The net position of \$2.4 billion is classified into three categories: \$617 million in net investment in capital assets, \$325 million in restricted resources, and \$1.4 billion in unrestricted resources.

Statement of Net Position <i>(In Millions)</i>	Fiscal Year		Inc./ <i>(Dec.)</i> Amount
	2018-19	2017-18	
Current and other assets	\$ 2,585	\$ 2,086	\$ 499
Capital assets	1,174	1,111	63
<b>Total assets</b>	<b>\$ 3,759</b>	<b>\$ 3,197</b>	<b>\$ 562</b>
<b>Deferred outflows of resources</b>	<b>\$ 461</b>	<b>\$ 440</b>	<b>\$ 21</b>
Long-term liabilities	752	555	197
Net pension liability	461	546	(85)
Net OPEB liability	100	87	13
Other liabilities	472	384	88
<b>Total liabilities</b>	<b>\$ 1,785</b>	<b>\$ 1,572</b>	<b>\$ 213</b>
<b>Deferred inflows of resources</b>	<b>\$ 48</b>	<b>\$ 70</b>	<b>\$ (22)</b>
Net position:			
Net investment in capital assets	\$ 617	\$ 719	\$ (102)
Restricted	325	300	25
Unrestricted	1,445	976	469
<b>Total net position</b>	<b>\$ 2,387</b>	<b>\$ 1,995</b>	<b>\$ 392</b>

Glossary
<b>Assets</b> are resources with service capacity that the County controls.
<b>Liabilities</b> are obligations the County owes.
<b>Long-term liabilities</b> include estimated claims, compensated absences, and debts (such as lease revenue and revenue refunding bonds, notes payable, and other long-term obligations).
<b>Deferred outflows of resources</b> are the consumption of net assets applicable to future reporting periods.
<b>Deferred inflows of resources</b> are the acquisition of net assets applicable to future reporting periods.
<b>Net position</b> reflects the County's net worth. (Net Position = (Assets + Deferred Outflows of Resources) - (Liabilities + Deferred Inflows of Resources))
<b>Net investment in capital assets</b> represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to residents and are not available for future spending.
<b>Restricted net position</b> 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.
<b>Unrestricted net position</b> represents resources that are available to fund County programs for residents and debt obligations to creditors.

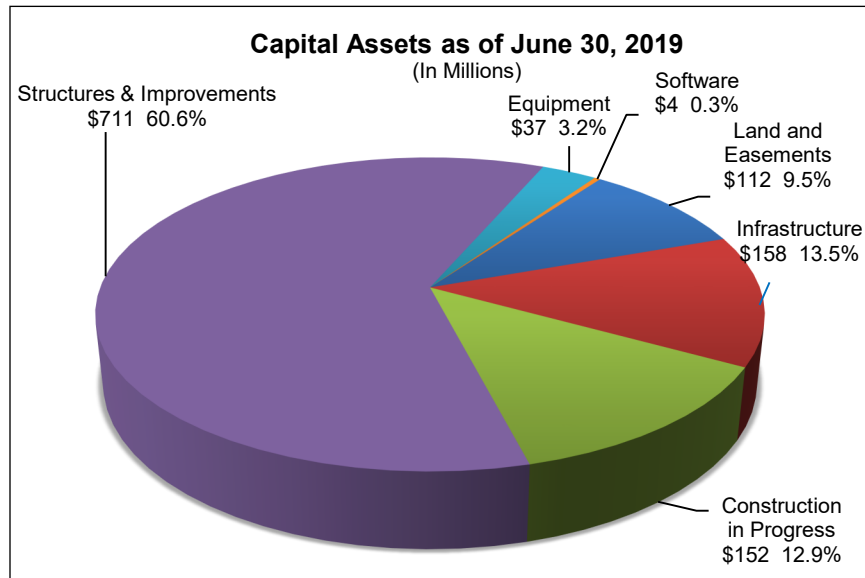


The relatively small increase of last year's (for FY 2017-18) change in net position of \$10 million was primarily due to Other Post Employment Benefit liabilities being reported for the first time in the Statement of Net Position.

## Government-Wide Financial Position

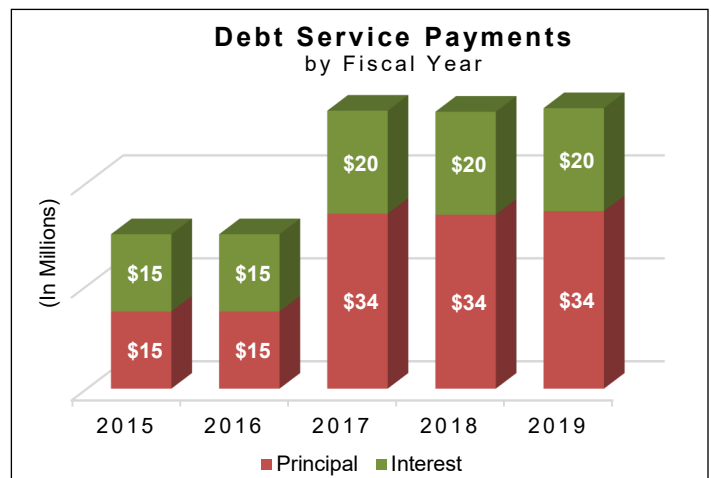
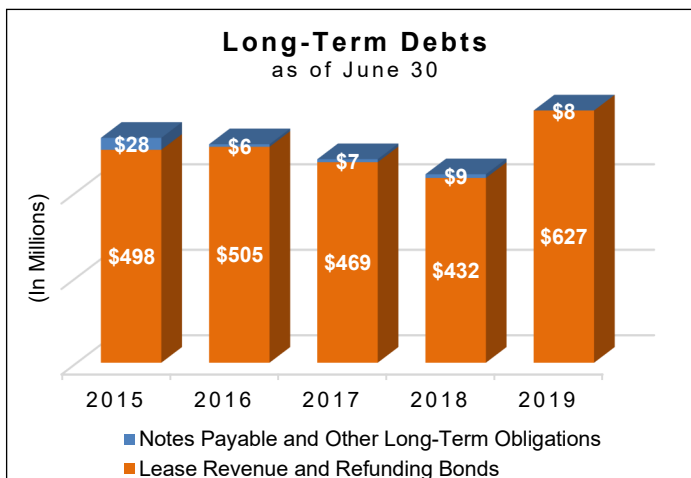
The County's **Capital Assets** include land and easements, infrastructure, construction in progress, structures and improvements, equipment, and software. As of June 30, 2019, the County's total investment in capital assets increased by \$63 million, or 5.7%, to \$1,174 million, net of depreciation. The increase was mainly attributed to the following:

- \$71.7 million in construction in progress, which includes, in part: \$28.7 million for Regional Operations Center, \$12.7 million for San Mateo County Health Campus Upgrade, \$11.3 million for Animal Care Shelter, \$6.7 million for County Office Building No. 3, \$3.4 million for Crystal Springs Dam Bridge Project, \$3.2 million for Cordilleras Mental Health Facility, and \$2.6 million for Parking Structure No. 2.
- \$2.3 million in equipment purchases to meet countywide operating needs.



The County's **Current and Other Assets**, includes cash and investments, receivables, and amounts due from other agencies, which increased by \$499 million, or 24.0%, to \$2,585 million. The FY 2018-19 increase is mainly due to an issuance of lease revenue bonds, property tax revenues, and amounts due from other governmental agencies.

The County's total **Long-term Debts** (a subset of total long-term liabilities) increased \$194.1 million, or 44%, to \$634.9 million as of June 30, 2019. This amount consists of \$627.1 million in lease revenue and revenue refunding bonds, \$2.3 million in notes payable, and \$5.5 million in other long-term obligations. The increase in long-term debts is mainly due to the issuance of a lease revenue bond. Debt service payments (principal and interest) totaled \$54 million in FY 2018-19. The County's high bond credit rating of AAA/Aaa enables it to borrow money at lower interest rates.



## Government-Wide Financial Position

San Mateo County Employees' Retirement Association (SamCERA) and the County use two valuation methods for the pension plan, one for financial reporting purposes and another to determine the County's annual required contribution for funding purposes. The table below highlights some of the differences between the two methods.

	Financial Reporting Purposes	Funding Purposes
<b>Net/Unfunded Liability</b>	Net Pension Liability: \$461.4 million.	UAAL: \$736.9 million.
<b>Discount Rate</b>	6.92%	6.50%
<b>Measurement Date of Assets</b>	June 30, 2018	June 30, 2019
<b>Recognition of Investment Income / (Loss)</b>	Projected gain +/- 20% of difference between the projected and actual gain/(loss)	Gain/(loss) recognized over a 5-year period
<b>Funded Ratio as of June 30, 2019</b>	90.0%	85.8%

For financial reporting purposes, the pension plan's Net Pension Liability decreased from \$547 million to \$461.4 million, and the funded ratio increased from 87.5% to 90.0%, compared to the prior year.

For funding purposes, the pension plan's funded ratio decreased compared to the prior year, primarily due to a reduction in the discount rate from 6.75% to 6.50%. This rate reduction caused a \$174 million increase to the FY 2018-19 UAAL which contributed to decreasing the funded ratio from 87.5% to 85.8%.

### Schedule of County Contributions

Since FY 2013-14, the County has been contributing additional funding to SamCERA to provide greater security for the plan, improve its funded ratio, and reduce the County's long-term pension costs. In FY 2018-19 the County contributed \$50.7 million above the required contribution of \$185.4 million.

	Fiscal Year	
<i>(In Thousands)</i>	2018-19	2017-18
Contractually required contributions	\$ 185,377	\$ 170,807
Actual contributions	<u>236,045</u>	<u>198,437</u>
Contribution deficiency (excess)	\$ (50,668)	\$ (27,630)

### Glossary

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

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

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

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





## Government-Wide Financial Position

The County's **Other Post Employment Benefits (OPEB) Plan** provides healthcare benefits to eligible County retirees. The OPEB benefits are funded by County contributions and investment earnings which are invested in the California Employers' Retiree Benefit Trust (CERBT) Fund.

For FY 2018-19, the County's total OPEB liability was \$392.6 million. The County contributed \$28.6 million to the OPEB plan during the fiscal year, and the County's share of the net OPEB liability was \$99.7 million (98.03% of \$101.8 million) compared to \$87.3 million in the prior fiscal year.

Similar to the pension plan, the County uses two methods for the valuation of OPEB, one for financial reporting purposes and another to determine the County's annual contribution for funding purposes. The table below, for the entire plan, highlights some of the differences between the two methods.

	Financial Reporting Purposes	Funding Purposes
<b>Net OPEB Liability</b>	\$101.8 million	\$95.0 million
<b>Discount Rate</b>	6.50%	6.50%
<b>Measurement Date of Assets</b>	June 30, 2018	June 30, 2019
<b>Funded Ratio as of June 30, 2019</b>	74.6%	77.5%

### Glossary

**Total OPEB Liability** is the plan's liability attributed to employees' services.

**Fiduciary Net Position** is the plan's assets held in the fund to meet current and future liabilities.

**Net OPEB Liability** is the unfunded liability, which is the difference between the total OPEB liability and plan assets at fair value (fiduciary net position).

**Funded Ratio** is a measure of the asset valuations over the liabilities, which is an important indicator to determine the financial health of the plan.



## Government-Wide Results of Operation

The **Statement of Activities** reports information on the County's revenues and expenses during the fiscal year and changes in net position. Significant changes to the revenues and expenses are discussed on the following page.

Statement of Activities and Change in Net Position <i>(In Millions)</i>			
	Fiscal Year		
	2018-19	2017-18	2016-17
<b>Revenues:</b>			
<b>Program Revenues</b>			
Charges for services	\$ 588	\$ 549	\$ 497
Operating grants and contributions	594	568	503
Capital grants and contributions	<u>5</u>	<u>5</u>	<u>6</u>
<b>Total program revenues</b>	<b><u>\$ 1,187</u></b>	<b><u>\$ 1,122</u></b>	<b><u>\$ 1,006</u></b>
<b>General Revenues</b>			
Taxes:			
Property taxes	\$ 649	\$ 565	\$ 515
Property transfer taxes	11	11	10
Sales and use taxes	127	115	107
Transient occupancy taxes	2	2	2
Aircraft taxes	1	1	1
Vehicle rental business license tax	<u>12</u>	<u>11</u>	<u>13</u>
Subtotal - taxes	\$ 802	\$ 705	\$ 648
Unrestricted interest and investment earnings	61	25	15
Miscellaneous	<u>48</u>	<u>46</u>	<u>43</u>
<b>Total general revenues</b>	<b><u>\$ 911</u></b>	<b><u>\$ 776</u></b>	<b><u>\$ 706</u></b>
<b>Total revenues</b>	<b><u>\$ 2,098</u></b>	<b><u>\$ 1,898</u></b>	<b><u>\$ 1,712</u></b>
<b>Expenses:</b>			
General government	\$ 150	\$ 157	\$ 130
Public protection	424	409	403
Public ways and facilities	24	24	23
Health and sanitation	376	351	305
Public assistance	255	250	244
Recreation	17	16	15
Interest on long-term liabilities	22	18	19
San Mateo Medical Center	336	314	290
Airports	5	5	4
Coyote Point Marina	1	2	1
Housing Authority	<u>96</u>	<u>89</u>	<u>83</u>
<b>Total expenses</b>	<b><u>\$ 1,706</u></b>	<b><u>\$ 1,635</u></b>	<b><u>\$ 1,517</u></b>
<b>Change in net position</b>	<b><u>\$ 392</u></b>	<b><u>\$ 263</u></b>	<b><u>\$ 195</u></b>
Net position, beginning, as previously stated	\$ 1,995	\$ 1,985	\$ 1,790
Cumulative effect of accounting change and prior period adjustment	<u>-</u>	<u>(253)</u>	<u>-</u>
Net position, beginning, as restated	<u>1,995</u>	<u>1,732</u>	<u>1,790</u>
<b>Net position, end of the year</b>	<b><u>\$ 2,387</u></b>	<b><u>\$ 1,995</u></b>	<b><u>\$ 1,985</u></b>
<b>Breakdown of net position, end of the year</b>			
Net investments in capital assets	\$ 617	\$ 719	\$ 656
Restricted	325	300	261
Unrestricted	<u>1,445</u>	<u>976</u>	<u>1,068</u>
<b>Net position, end of the year</b>	<b><u>\$ 2,387</u></b>	<b><u>\$ 1,995</u></b>	<b><u>\$ 1,985</u></b>

### Glossary

**Revenues** are monies the County receives from a variety of sources.

*Program revenues*, primarily from Local, State and Federal sources, are derived directly from County programs and can be broken down into the following categories:

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

*General revenues* are non-program revenues that include property taxes, sales and use tax, and other taxes.

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

**Governmental activities** are normally funded by taxes and intergovernmental revenues and cover various services including:

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

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

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

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

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

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

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

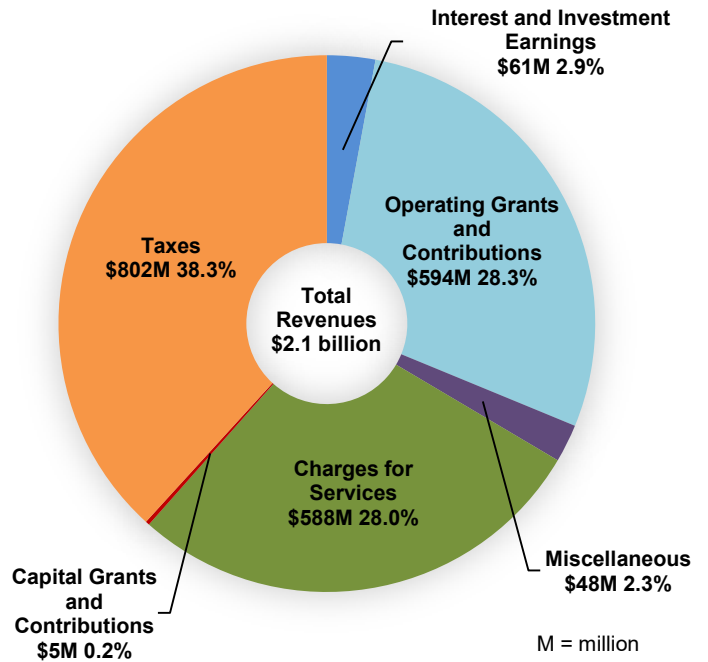
Population in San Mateo County	774,845	774,155	770,203
Per capita general revenue (in absolute dollars)	\$ 1,176	\$ 1,002	\$ 917
Per capita revenue (in absolute dollars)	\$ 2,708	\$ 2,452	\$ 2,223
Per capita expense (in absolute dollars)	\$ (2,202)	\$ (2,112)	\$ (1,970)
Per capita net revenue (in absolute dollars)	\$ 506	\$ 340	\$ 253

# Government-Wide Results of Operation

## Revenues

Total revenues increased by \$200 million, or 10.5%, to \$2,098 million, mainly due to the following:

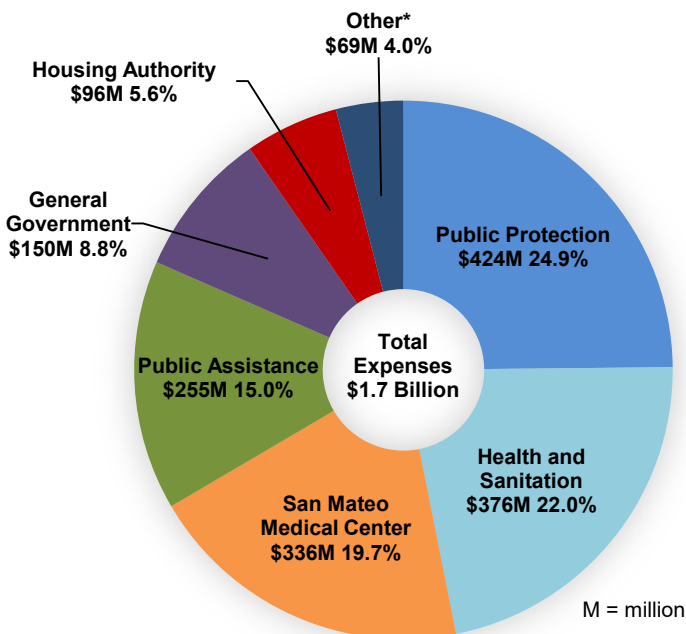
- Property tax revenues increased by \$84 million, or 14.9%, mainly due to growth in real property assessed values.
- Charges for services increased \$39 million, or 7.1%, due to more Federal reimbursements and insurance premium charges.
- Unrestricted interest and investment earnings increased by \$36 million, or 144%.
- Operating grants and contributions increased by \$26 million, or 4.6%, mainly due to more State and Federal grants.
- Sales and use taxes increased by \$12 million, or 10.4%, mainly due to growth in retail sales.



## Expenses

Total expenses increased by \$71 million, or 4.3%, to \$1,706 million, mainly due to the following:

- Health and Sanitation increased by \$25 million, or 7.1%, mainly due to healthcare related program costs.
- San Mateo Medical Center expenses increased by \$22 million, or 7.0%, mainly due to increases in salaries and benefits, contracted services, and the Medi-Cal 2020 Waiver Whole Person Care program.
- Public protection increased by \$15 million, or 3.6%, mainly due to the construction of the Siebel Firearm's Training Facility and increased costs to provide indigent criminal defense.
- Public assistance increased by \$5 million, or 2%, due in part to rising costs in In-Home Supportive Services.



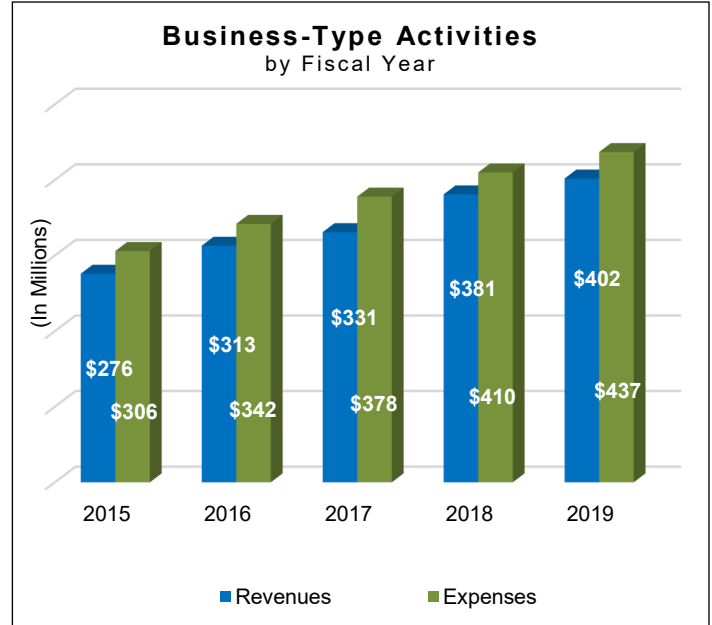
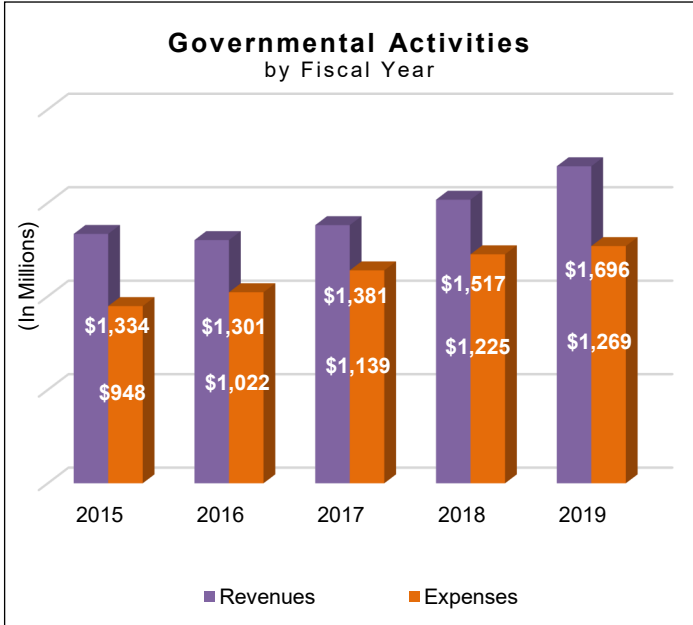
\*Other includes interest on long-term liabilities \$22M, public ways and facilities \$24M, recreation \$17M, airports \$5M, and Coyote Marina Point \$1M.

## Government-Wide Results of Operation

For the past five fiscal years revenues from the County's **Governmental Activities** were greater than expenses.

A majority of the County's **Business-type Activities** are related to the San Mateo Medical Center. In each of the past five fiscal years, total revenues from the County's business-type activities were less than related expenses.

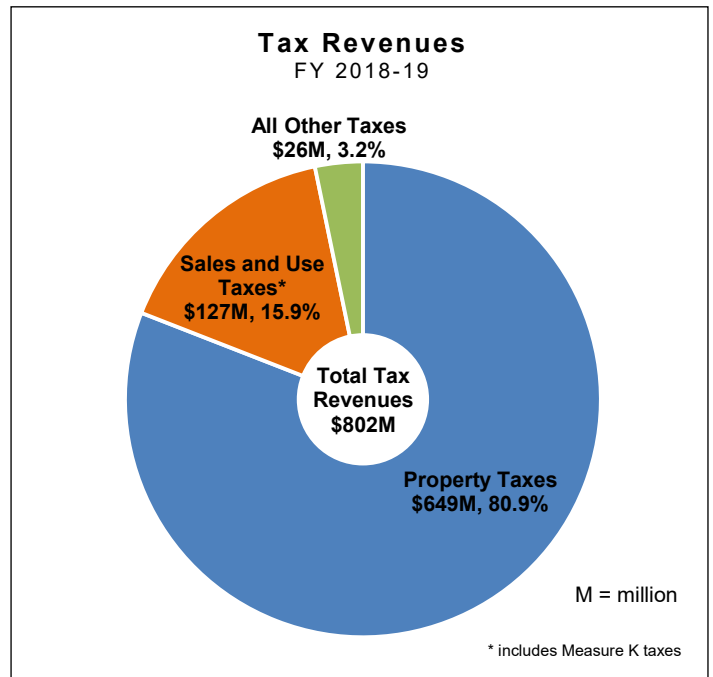
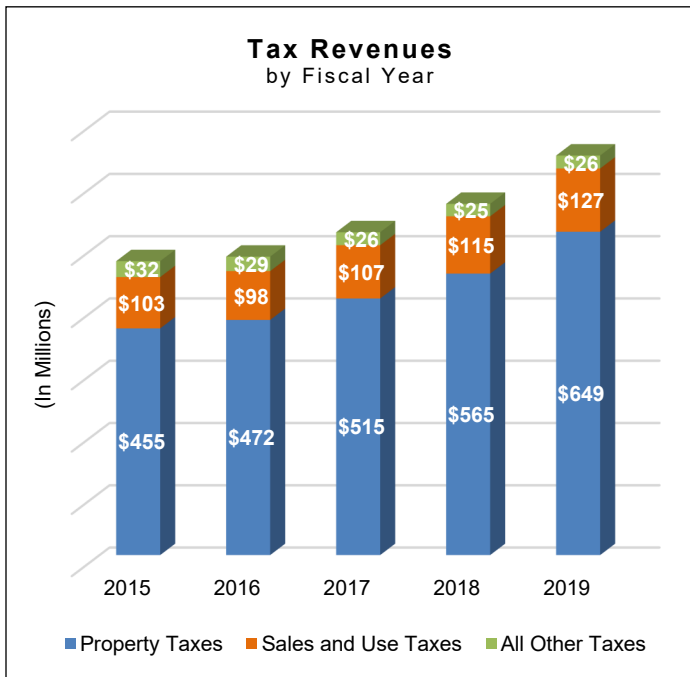
The deficits, mainly resulting from mandated healthcare services to the uninsured and indigent population, were absorbed by General Fund (governmental activities) subsidies to the San Mateo Medical Center.



# Tax Revenues

For the fiscal year ended June 30, 2019, **tax revenues** grew to \$802 million, an increase of \$97 million, or 13.8%, compared to the prior year, mainly due to the following:

- \$84 million increase in property tax revenues due to growth in real property assessed values.
- \$12 million increase in Measure K sales taxes due to increased value of sales.



**Measure K** is a voter-approved countywide half-cent sales tax to support County services. In FY 2018-19 Measure K generated \$98.6 million in sales tax revenues, while \$102.6 million was spent on Measure K funded initiatives.

Significant Measure K expenditures for FY 2018-19 included: the Regional Operations Center (\$30.5 million), Affordable Housing (\$14.9 million), Early Learning and Care Trust Fund, a.k.a. the Big Lift (\$7.9 million), Whole Person Care Match (\$2.0 million), Skylonda Fire Station (\$1.5 million), District Attorney’s Office Elder Dependent Adult Protection program (\$950 thousand), and at-risk foster youth services (\$900 thousand).

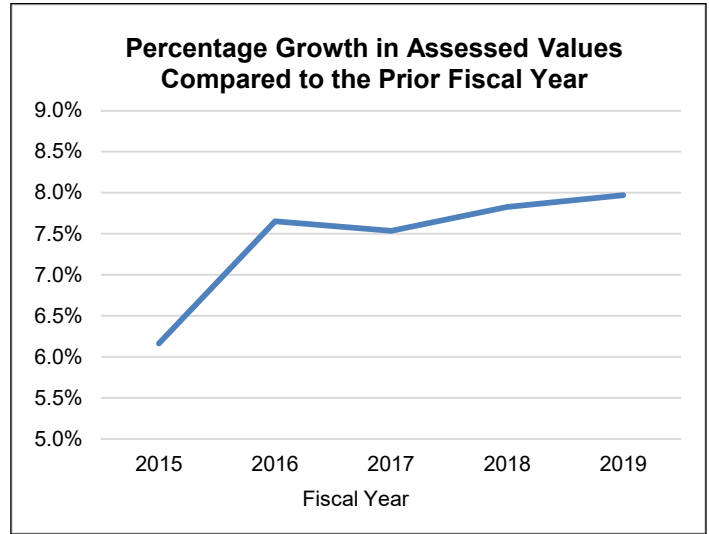
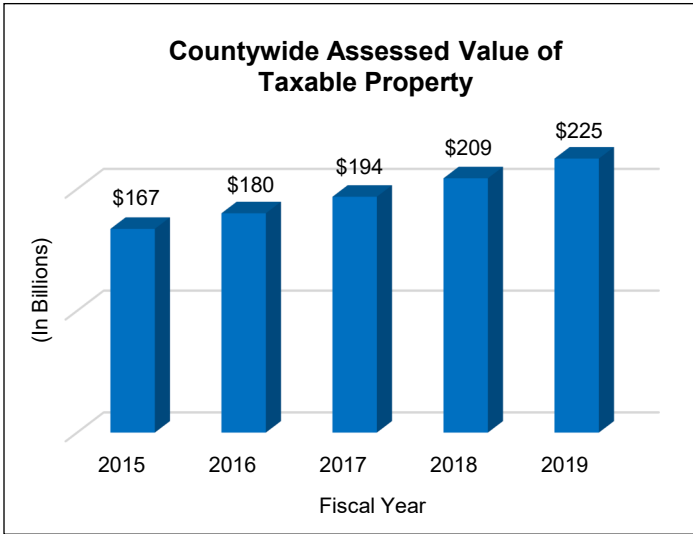


# Property Tax Revenues

Countywide **Property taxes** are levied each fiscal year on taxable real property (secured) and personal property (unsecured) in the County. Property tax revenues make up the County's largest source of General Fund discretionary revenues. The health of the local real estate market and associated changes in property assessed values are key indicators of the financial outlook for the County.

The FY 2018-19 locally and State assessed property values for the County (\$225 billion as of January 1, 2018) increased 8%, or \$16.6 billion, compared to last year. This increase translated to a countywide increase of \$166 million in the 1% general property tax, shared by local taxing agencies (schools, cities, special districts, and the County).

In FY 2019-20, countywide assessed property values increased 7%, or \$15.8 billion, to \$241 billion compared to the prior year. The FY 2019-20 property assessed values are at a new historic high for the ninth consecutive year.



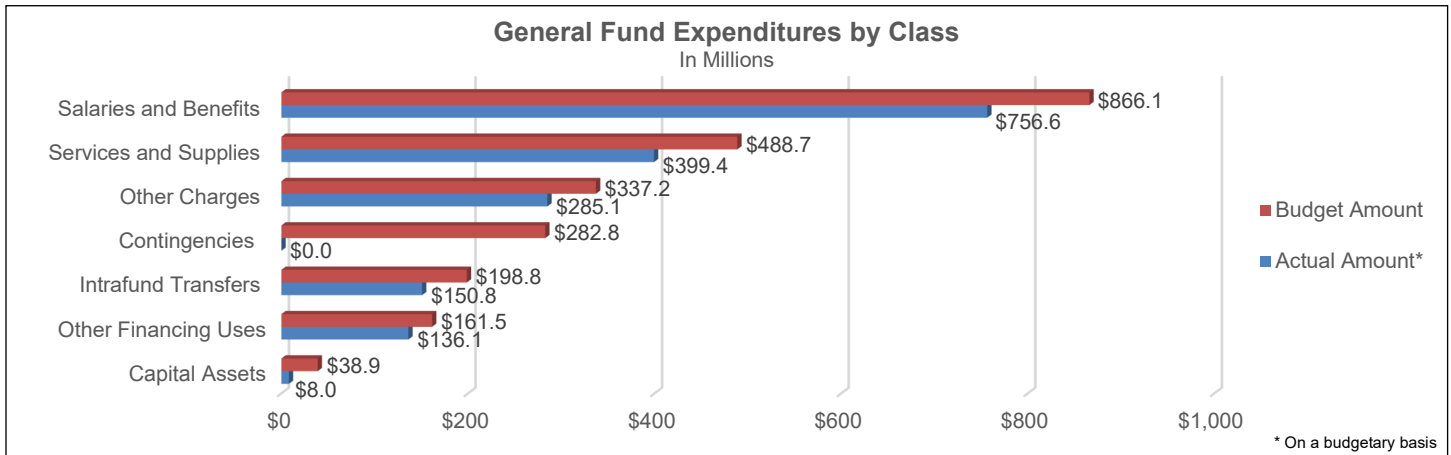
	Property Taxes Levied*	% of Total Taxes Levied
Pacific Gas & Electric Co.	\$ 27	1.09%
Genentech	27	1.09%
United Airlines	26	1.04%
Gilead Sciences	22	0.86%
Hibiscus Properties LLC	13	0.50%
Google Inc	12	0.47%
ARE San Francisco	8	0.34%
Facebook Inc	8	0.32%
Oracle Corporation	8	0.31%
Slough BTC LLC	7	0.28%
<b>Total</b>	<b>\$ 158</b>	<b>6.30%</b>

\* Based on the general tax and debt service on secured, unsecured, unitary, and railroad properties as of June 30, 2019

*“A wise person should have money in their head, but not in their heart.”*  
- Jonathan Swift (1667-1745)

## General Fund Budget

The annual **General Fund Budget** is 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 class level (e.g., salaries and benefits) within a budget unit in a fund. Budget expenditures are enacted into law through the passage of an Appropriation Ordinance. The ordinance sets limits on expenditures, which cannot be changed except by subsequent amendments to the budget.



### General Fund Expenditures - Budgetary Comparison Budget vs. Actual by Department/Budget Unit FY 2018-19

(In Millions) Departments/Budget Units	Budget	Actual**	% of Total Actual
Health System*	\$ 427	\$ 427	29.8%
Sheriff's Office	283	254	17.7%
Human Services Agency	261	186	13.0%
Probation	100	80	5.6%
District Attorney	41	32	2.3%
Aging & Adult Services	39	32	2.2%
Assessor-Clerk-Recorder-Elections	36	28	2.0%
Housing	53	28	2.0%
Public Works	48	24	1.6%
County Support of Courts	21	20	1.4%
Public Safety Communications	21	18	1.3%
Private Defender Program	19	18	1.3%
Parks Department	29	18	1.2%
Information Services Department	32	17	1.1%
Human Resources	19	17	1.1%
County Managers Office-Clerk of the Board	27	13	0.9%
Controller	15	13	0.9%
County Counsel	16	12	0.9%
Child Support Services	12	11	0.8%
Planning and Building	15	11	0.7%
Fire Protection	12	10	0.7%
Office of Sustainability	15	9	0.6%
Tax Collector-Treasurer	17	8	0.6%
Agriculture Weights and Measures	7	6	0.4%
Board of Supervisors	5	5	0.3%
In Home Supportive Services	4	4	0.3%
Coroner	3	3	0.2%
Special Services	5	3	0.2%
CMO Revenue Services	2	1	0.1%
Message Switch	1	0	0.0%
Non-Departmental Services	341	126	8.8%
Contingencies (Non-departmental)	50	-	0.0%
<b>Total</b>	<b>\$ 1,976</b>	<b>\$ 1,434</b>	<b>100.0%</b>

\* Excludes San Mateo Medical Center, business-type activities.

\*\* On a budgetary basis.



### Glossary

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

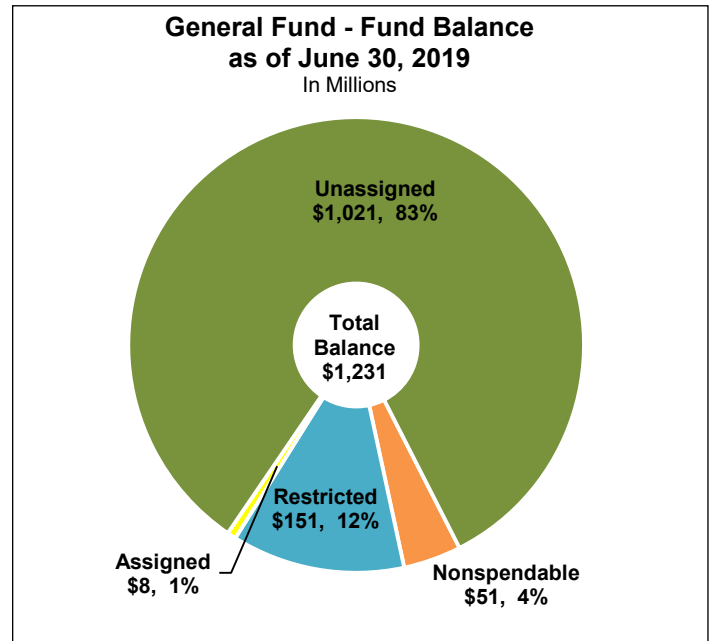
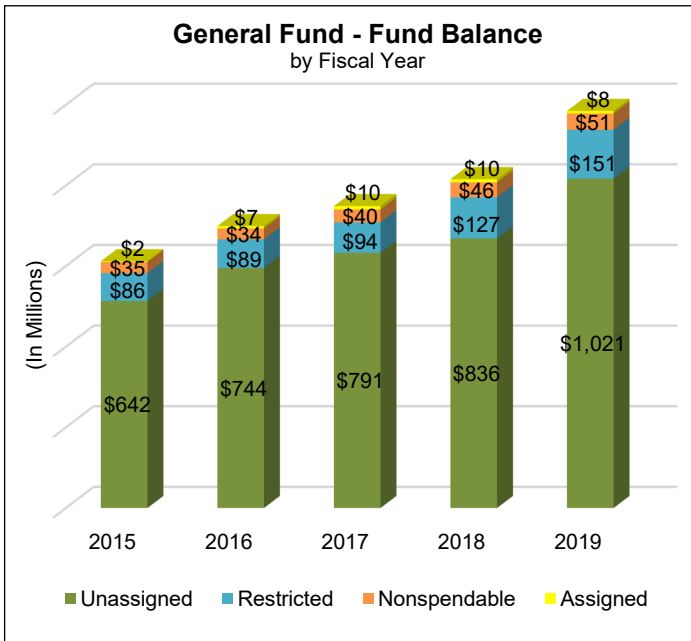
**Intrafund transfers** are used by the County to show reimbursements between operations within the same fund.

**Contingencies** are budgeted amounts that may be used by the County to address one-time emergencies and economic uncertainties.

## General Fund Financial Position

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

The fund balance amount provides information about the County's net resources available for spending and its financing requirements.



The **General Fund's** financial health may be measured by comparing total unrestricted fund balance and total fund balance to the General Fund's total functional expenditures (Total General Fund expenditures less Other Financing Uses).

- The total **unrestricted** (assigned and unassigned) fund balance amount of \$1.03 billion approximates 87% of the total functional expenditures of \$1.18 billion.
- The total **fund balance** amount of \$1.23 billion approximates 104% of the total functional expenditures of \$1.18 billion.

At June 30, 2019, the **General Fund** had a total fund balance of \$1.23 billion consisting of the following:

- \$51 million is **nonspendable**, which includes items that are not expected to be converted to cash such as inventories, prepaid items, and long-term interfund advances and receivables.
- \$151 million is **restricted**, which can be spent only for specific purposes as stipulated by external resource providers.
- \$8 million is **assigned** to be used by the County for specific purposes.
- \$1.02 billion is **unassigned** and can be used for any purpose.



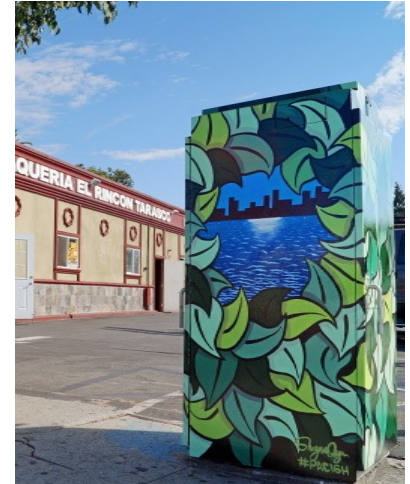


## General Fund Results of Operations

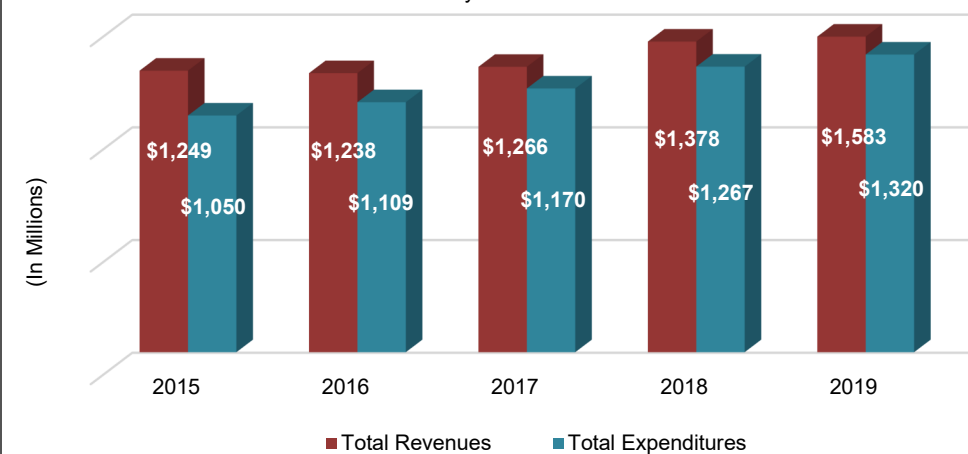
The **General Fund** is the County's largest source of discretionary revenue and is presented in the governmental fund financial statements on a modified-accrual basis. This means the General Fund operations includes revenues received during the fiscal year, revenues received within 60 days after the fiscal year-end, and expenditures incurred during the fiscal year.

### General Fund Revenues (In Millions)

Source	FY 2018-19		FY 2017-18		Inc.(Dec.) Amount
	Amount	% of Total	Amount	% of Total	
Taxes	\$ 811	51.3%	\$ 659	47.8%	\$ 152
Licenses and permits	8	0.5%	8	0.6%	0
Intergovernmental	527	33.3%	503	36.5%	24
Charges for services	143	9.1%	139	10.1%	4
Fines, forfeitures, and penalties	10	0.6%	8	0.6%	2
Rents and concessions	1	0.1%	1	0.1%	0
Investment income	43	2.7%	19	1.4%	24
Other	27	1.7%	28	2.0%	(1)
<b>Sub-Total</b>	<b>\$ 1,570</b>		<b>\$ 1,365</b>		<b>\$ 205</b>
Other financing sources	13	0.7%	13	0.9%	0
<b>Total revenues</b>	<b>\$ 1,583</b>	<b>100.0%</b>	<b>\$ 1,378</b>	<b>100.0%</b>	<b>\$ 205</b>

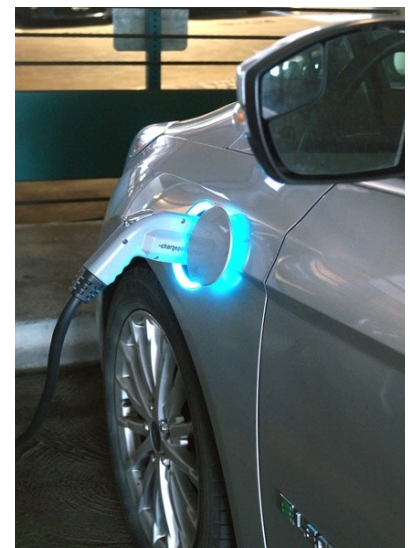


### General Fund Operations by Fiscal Year



### General Fund Expenditures (In Millions)

Source	FY 2018-19		FY 2017-18		Inc.(Dec.) Amount
	Amount	% of Total	Amount	% of Total	
General government	\$ 136	10.3%	\$ 145	11.4%	\$ (9)
Public protection	426	32.2%	403	31.8%	23
Health and sanitation	359	27.2%	336	26.5%	23
Public assistance	240	18.2%	232	18.3%	8
Recreation	16	1.2%	15	1.2%	1
Capital outlay	7	0.6%	6	0.5%	1
<b>Functional Expenditures</b>	<b>\$ 1,184</b>		<b>\$ 1,137</b>		<b>\$ 47</b>
Other financing uses	136	10.3%	130	10.3%	6
<b>Total expenditures*</b>	<b>\$ 1,320</b>	<b>100.0%</b>	<b>\$ 1,267</b>	<b>100.0%</b>	<b>\$ 53</b>



\* Differences between total general fund expenditures and total actual (budgetary basis) expenditures are due mainly to reporting on budgetary basis versus financial reporting basis under GAAP.

## Award for Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for “**Outstanding Achievement in Popular Annual Financial Reporting**” to San Mateo County for its Financial Highlights publication for the fiscal year ended June 30, 2018. This Award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of San Mateo  
California**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

