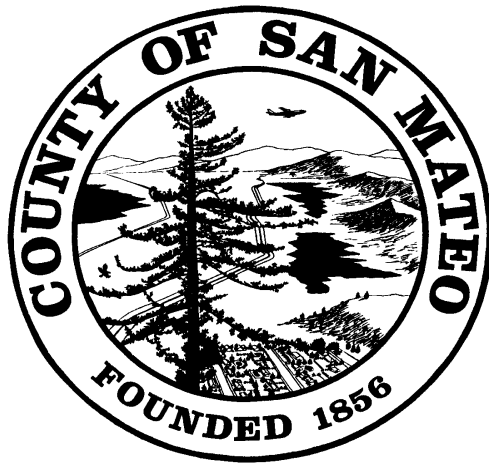


**COUNTY OF SAN MATEO, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2001**

**Tom Huening, Controller**

# **County of San Mateo, California**



## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2001**

**Tom Huening  
Controller**

**COUNTY OF SAN MATEO, CALIFORNIA**

Comprehensive Annual Financial Report

Prepared by the Controller's Office

For the Fiscal Year Ended June 30, 2001

**COUNTY OF SAN MATEO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2001**

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# **INTRODUCTORY SECTION**





# COUNTY OF SAN MATEO

## OFFICE OF CONTROLLER

**TOM HUENING, CONTROLLER**

Members of the Board of Supervisors and  
Citizens of San Mateo County:

October 23, 2001

The Comprehensive Annual Financial Report (CAFR) of the County of San Mateo for the fiscal year 2000-2001 is presented in compliance with Section 25253 of the Government Code of the State of California. This report was prepared by the Office of the County Controller, which is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, are accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County, its component units and its financial transactions. The CAFR is organized into three sections:

- The Introductory Section is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- The Financial Section includes the audited basic financial statements, disclosure notes, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with generally accepted accounting principles, and the independent auditor's report on the basic financial statements. New this year is the narrative introduction, overview and analysis found in management's discussion and analysis (MD&A).
- The Statistical Section contains comprehensive statistical data on the County's financial, physical, economic, social and political characteristics.

### **THE REPORTING ENTITY**

The County of San Mateo, California (County), established by an Act of the State Legislature in 1856, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including public protection, road construction and public facilities maintenance, sanitation, health and social services, elections and records, planning, zoning and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or incomplete. The component units discussed below are considered blended component units since their financial data are required to be blended with the

County's to present the financial results of the primary government.

### **Blended Component Units**

San Mateo County has four independent fiscal agencies that are considered blended component units for reporting the financial results of the County. They vary widely in function and provide essential services. Agency and function are described below.

- The San Mateo County Joint Powers Financing Authority (JPFA) assists the County in the financing of public capital improvements. JPFA is reported as a major governmental fund in the County's basic financial statements.
- The San Mateo County Employees' Retirement Association (SamCERA) administers the financial activities of the County's pension plan. SamCERA is reported as a Pension Trust Fund in the County's basic financial statements.
- The Housing Authority provides housing assistance to low and moderate income families. The Housing Authority is reported as an enterprise fund in the County's basic financial statements.
- The In-Home Supportive Services (IHSS) Public Authority assists consumers in finding in-home supportive services personnel, provides training and support for providers and recipients and their families, and performs other functions related to the delivery of in-home supportive services. The IHSS Public Authority is reported as a special revenue fund in the County's basic financial statements.

### **Discretely Presented Component Unit**

The *Children and Families First Commission* (the Commission) was established in March 1999 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and Families Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the Commission's governing body is not substantially the same as that of the County and the Commission does not provide services entirely or almost entirely to the County.

## **ECONOMIC CONDITIONS AND OUTLOOK**

San Mateo County is one of 58 California counties and one of the nine counties in the San Francisco-Oakland Bay Area. The County covers 447 square miles and contains 20 incorporated cities and the San Francisco International Airport. It is located on a peninsula that is flanked by the Pacific Ocean on the west, the San Francisco Bay on the east, the City/County of San Francisco to the north, and the counties of Santa Clara and Santa Cruz to the south. It is the 13th largest county in the State with 707,161 residents but 56<sup>th</sup> in physical land size. Seventy-four percent of the County's land is reserved for agriculture, watershed, open space, wetlands or parks. The majority of the population lives along the north-south transportation corridor between San Francisco and San Jose. The County's size, density, and location contribute to its economic outlook and the public policy issues related to land use, congestion management and quality of life.

The 2000 Census revealed that for the first time in the County's history, a plurality of ethnicities comprise its demographic makeup. The breakdown shows that nearly half or 49.8% are White, 21.8% are Hispanic and 21% are Asian/Pacific Islanders totaling 92.6% of the County's population. African-Americans comprise 3.3% and those identifying themselves as "Two or More Races" comprise 3.2%. Of the 254,103 households in the County, roughly two-thirds are identified as "family households" and about half of the "family households" include children under 18 years of age. The median age in the County for both sexes is 36.8 years old.

The County has a charter form of government. A five-member Board of Supervisors, each elected to four-year terms, serves as the legislative body. Members run at-large in non-partisan elections but must reside within a specific district. A County Manager is appointed by the Board and runs the day-to-day business. The County

Manager appoints the heads of six agencies/departments. The Board appoints the County Counsel. Elected officials include the Assessor-Clerk-Recorder, Controller, District Attorney, Treasurer-Tax Collector, Sheriff and the Coroner.

Actual economic data over the last few years show that among counties in the State of California, the County has consistently ranked in the top five in terms of lowest civilian unemployment rate, highest per capita personal income and lowest percentage of persons below poverty level. The County is also one of the safest urban/suburban counties in California, an indicator that is reflective of the economic prosperity.

Unemployment figures for FY2001 averaged 1.6%. Employment opportunities are dominated by the services sector that provides a third of all jobs in the County. Retail trade, transportation and public utilities sectors are also major employment sectors. Located between the metropolitan areas of San Francisco and San Jose, County employers benefit from the confluence of prestigious universities, wealth (including venture capital), and an international transportation network to support trade. As home to the busy San Francisco International Airport (SFO), San Mateo County is a primary beneficiary of the hospitality, transportation and service industry jobs. Over 40 million passengers and 655,409 metric tons of cargo passed through SFO in FY2000. Nearly 230,000 people were employed by the airlines, cargo carriers, restaurants, aviation suppliers and other airport related businesses at SFO.

In the last five years, nearly 50,000 new jobs were created in this County. The County is home to more than 1,300 high technology companies including Oracle, Siebel Systems, Sun Microsystems, and Genentech. The area known as Silicon Valley (Santa Clara County and southern San Mateo County) has added over 230,000 new jobs since 1992. This year has seen a marked decline. The high technology industry sector experienced a mid-year market correction that reduced many holdings by 30% or more. Many hopeful "dot.com" companies have become "dot.gones." Unemployment rates that were as low as 1.2% during the holidays had more than doubled by fiscal year end. A rebound of this sector is not anticipated in the near term. Economic fallout is expected to continue through the next fiscal year.

Nonetheless, property values remain among the highest in the nation. According to the 2000 Census, there are 260,576 housing units in San Mateo County. Although the slowing economy has created a slight measure of relief in the housing market, demand has far outpaced supply for several years. This gap has escalated prices in the real estate market. In FY2001, the median price for a single family home was \$603,250 and the median price for a townhouse was \$388,375. In other words, an annual gross income of \$139,000 (\$11,614 monthly gross) is needed to purchase a \$600,000 home with \$120,000 down (20%). Home ownership remains out of the reach of many service employees, teachers, public safety employees and tradespeople. The San Mateo County Association of Realtors reported at the close of the fiscal year that the market was flat, the number of housing units for sale had increased slightly but sellers were still receiving 99% or better of their listed price. The City/County Association of Governments (C/CAG) has projected a conservative housing deficit of 15,600 units by the end of the decade. Housing will remain a significant challenge for residents, employers, planners, and policymakers.

The office rental market began to reflect the effects of the economic slow down as vacancy rates increased and rents declined throughout the year. The latest survey of the commercial real estate market by CB Richard Ellis in Foster City showed the vacancy rate and the amount of unleased office space increased dramatically during the fiscal year. The 1<sup>st</sup> quarter vacancy rate was 2.7%, the second quarter reported 4.1%, and the third quarter reached 6.3% and by year-end rates had climbed to 9.7%. The average asking price for office space rents in North County began the year at \$5.55/square foot (s.f.), but by year-end had dropped to \$3.62/s.f. The asking price in Central County dropped from \$7.94/s.f. to \$4.15/s.f. for the same period. South County office space was commanding \$12.00/s.f. at the beginning of the year but had dropped to \$6.00/s.f. for high-end space by year-end. No turnaround in the market is anticipated before mid-year 2002.

The County has 28,890,628 s.f. of net rentable office space. There are nearly 4.4 million s.f. of construction currently underway, a 15% increase in the existing office market, scheduled to be delivered within the next 18-24 months. Approximately 14%, or 700,000 s.f. have already been pre-leased.

With the high cost of living and the housing/jobs imbalance, many workers reside outside the County. The congested roadways that were already functioning at capacity are threatened with gridlock. A number of initiatives by public transportation agencies are underway to address these conditions.

Caltrans, the State Highway Division of Transportation, is improving the east-west connection between the

Peninsula and East Bay counties with the San Mateo Bridge project. This project involves the building of an adjacent 3-lane bridge, with completion anticipated in late 2002.

Caltrain, the three-county commuter railway system that runs between San Francisco and Gilroy, has added more trains to increase the frequency of service and ridership. Caltrain experienced a 7% increase in total ridership and a 9.2% increase in weekday commuter ridership in FY2001. Since the Peninsula Corridor Joint Powers Board assumed responsibility for Caltrain in 1992, overall ridership has increased 50.8 percent to 32,812 average daily riders in June 2001.

BART, the Bay Area Rapid Transit District, is building four new BART stations in San Mateo County that are scheduled to open in the Fall of 2002. The project will add 8.7 miles of new track including a station at SFO, the nation's fifth busiest airport. The stations are planned to open concurrently. The system will serve an estimated 70,000 new daily riders by 2010, eliminate 10,000 daily auto trips to SFO and provide congestion relief on one of the County's main transportation corridors.

The San Mateo County Transportation Authority, created by voter initiative in 1988, established a 20 year ½ cent sales tax to fund local transportation improvements including grade separations, freeway interchanges, paratransit programs and road improvements. The combined success of all of these projects will help determine the viability for future economic growth in the County.

The property tax assessment roll for FY2000-01 increased by 9.9% or \$7.2 billion more than the previous year.

County sales tax revenue grew by 16.5% or from \$15,665,000 in FY2000 to \$18,243,000 in FY2001. The increased revenue reflects the impact of high retail sales in the first six months of the fiscal year and the operations of the new International Terminal at SFO that opened in December. The size and complexity of the airport upgrade project resulted in the tear-down of the San Francisco Airport Hilton and the loss of transient occupancy tax revenue (TOT) to the County. A new hotel is expected to open in 2005 that will restore these funds.

Proposition 172 Sales Tax – Public Safety Fund tax money collected by the State and returned to the County increased 11.4% to \$65,319,000 from the prior year level of \$58,620,000 reflecting strong retail sales. These funds are restricted to public safety purposes and are allocated to the Sheriff, District Attorney, Probation, Coroner, County Fire and Employee and Public Services - Public Safety Communications Dispatching.

Proposition 10, a ballot initiative known as Children and Families First, increased tobacco taxes to fund early childhood (ages 0-5) development programs. The Commission received \$9,830,000 from the State as its share in FY2000-01 under this proposition, a decrease of 30% or \$4,187,000 from the previous year. Another tobacco-related source of revenue, the tobacco lawsuit settlement, brought in \$7,526,000, down by \$2,629,000 or 26% from the prior year. The tobacco settlement monies are used for County Health Services.

The slowing economy has been exacerbated by the state's energy crisis. Most of the state's budget surplus was spent on spiraling energy costs that resulted with the deregulation of the power industry in California. In addition, two of the State's largest investor-owned utilities, Pacific Gas & Electric (PG&E) Company and Southern California Edison, failed to meet all of their financial obligations. In April, PG&E, the County's fourth largest taxpayer, filed Chapter 11 bankruptcy. PG&E, with court permission, continues to pay County property taxes.

Energy costs to maintain the County's government operations exceeded \$5.4 million in FY2001, a 26.4% increase over the prior year. Energy rates for County operations have been projected to further increase in the coming year.

## MAJOR INITIATIVES AND SERVICE EFFORTS AND ACCOMPLISHMENTS

**Health.** The County operates a full service hospital, which has been fully remodeled to meet safety and seismic standards. In 1994, the San Mateo County Board of Supervisors approved the issuance of lease revenue bonds in the amount of \$124,900,000 for the construction of a new integrated health center. This project combines Crystal Springs Rehabilitation Center and the former Community (Chope) Hospital. To allow the Hospital to continue serving patients, construction was designed in five phases. Phase IV, completed in August 2001, provided for the construction of a new 66,000 square foot diagnostic and treatment addition for all inpatient services including imaging, surgery, central sterile and special care. The final phase, which involves the remodel of the 1954

Administration Building and support facilities, will commence in October 2001 with completion anticipated by August 2002.

The original estimated cost of construction of the San Mateo County Health Center was approximately \$100,751,000. The total project cost is now expected to be \$131,130,500. Phase I was constructed within budget. Phases II, III and IV were over budget due to a number of factors, including, among others, weather, unanticipated onsite contaminated soil and rock, and the bidding climate that escalated faster than anticipated. Costs attributable to the County in excess of the original budget have been funded through contributions of funds through the Health Center budget, excess interest earnings on construction funds invested longer than originally anticipated, amounts released from the Reserve Fund upon the issuance of the debt service reserve insurance policy for a portion of the Reserve Fund Requirement, proceeds of certain subsequent series of bonds applied for such purpose, value engineering, construction contingency funds and redesign of the project.

The new County Health Center and clinic modernization and expansion have substantially increased our capacity to serve the medically indigent and insured residents. The County is experiencing the same financial cost escalation faced by private hospitals and Health and Maintenance Organizations (HMOs). New management and a Board initiated Resource Team have undertaken the challenge to rein in the costs of both new and existing services.

In addition to the facility, the relatively new \$42,000,000 Health Information Technology (HIT) System is still being implemented. When functional, it will generate better information on the management and delivery of patient care and for budget and finance uses. More accurate data will enhance the efficiencies in revenue billing and reimbursement activities. Implementation has been costly and time-consuming. The system is not performing optimally and continues to drain substantial resources from the department and the general fund.

**Human Services.** Between 1996 and 2000, the County had a steadily declining rate of families on public assistance compared to California as a whole. During this period, the County's public assistance, or CalWORKs, rate decreased at twice the rate of the state. Between 1996 and 2000, the total number of CalWORKs participants in the County decreased by 71.3 percent; statewide, the number of recipients decreased 37.8 percent. Between 1996 and 2000, the total number of Food Stamps recipients in the County decreased by 73.2 percent from 16,862 to 4,526; statewide, the number of recipients decreased 48.1 percent. The County has increased the proportion of CalWORKs recipients under age 18 from 72 percent of all recipients in 1996 to 83 percent in 2000. Statewide in 2000, only 75 percent of CalWORKs recipients were under age 18. The only exception in this pattern occurred in the Welfare to Work caseload. Welfare to Work is a new assistance program that links families on public assistance with housing, helping them become self-sufficient. Between 1999 and 2000 the County's caseload nearly tripled from 349 to 1,003; statewide, the Welfare to Work caseload decreased 7.5 percent.

Fund savings from caseload decline were shifted to provide supportive services for low-income families that struggle to attain self-sufficiency in a high cost of living area. Additional support was also provided to assist remaining clients with multi-barriers to self-sufficiency. Moreover, prevention and early intervention services were expanded in the area of children services. The Human Services Agency's budget experienced a net increase of 14.4 percent in actual cost from FY1999-2000 to FY2000-01.

**Technology.** The Board approved a \$9 million E-Government Infrastructure Project, allocating \$3 million per year for the next three years, to inventory departments, identify potential County services that could be provided over the Internet, and prioritize the implementation of these services to improve citizen access.

**Capital Projects.** The County has issued \$32,890,000 in bonds to finance a portion of the acquisition costs of a microwave and law enforcement mutual aid communications system and a sheriff's radio system, to finance the costs of acquisition and construction of a Crime Lab and Coroner's office for the County, to fund a deposit to the reserve fund for the bonds, to fund capitalized interest on the 2001 bonds and to pay costs of issuance of the 2001 bonds. The law enforcement projects are discussed below.

The construction of a 30,000 square foot state-of-the-art Crime Lab scheduled to open in December 2002 is projected to cost \$17.7 million. Annual debt service is anticipated to be \$730,000. The Sheriff's budget is covering the design fees, geotechnical and environmental consulting fees and administrative costs. The facility has been designed with a half-acre of photovoltaic energy panels which will power a third of the projected energy load for the facility.

The other major law enforcement project, the Mutual Aid/Emergency Services Council (ESC) \$25.6 million upgrade of the County Radio System, is being financed with \$16.5 million from bond proceeds. It is scheduled for completion in April 2002. Funding sources include state and federal funds, public safety sales tax revenue, charges to user agencies and the General Fund.

The County conducted a Facilities Assessment on the 74 County buildings to identify and quantify physical deficiencies in each facility along with recommended corrections to address the maintenance issues. This was done to identify long-term capital needs. The assessment found \$33 million in deficiencies, mostly in mechanical and electrical systems. The County budgets approximately \$5 million in capital projects to address these deficiencies in FY2002. \$8 million has been set aside for transfer into the Capital Projects Fund for additional projects in FY2003. The Public Works Department is in the process of implementing an Asset Management System, which will be used to track and maintain other infrastructure such as roads, sewers and lighting systems that were not included in the Facilities Assessment.

The next capital project on the horizon is the replacement of the Hillcrest Juvenile Hall that was built in 1948. A Master Plan is being developed to estimate bed space needs for the next 30 years. The Master Plan will also include recommendations of how to best meet the needs of juveniles in the County and include programs and policies that maximize the effective use of limited resources. It will reflect a variety of services for youth located at the envisioned new Youth Campus/Justice Center. The plan has not yet been submitted to the Board nor have funding sources been determined. The minimum capital costs are projected at \$50 million.

## **FINANCIAL INFORMATION**

The Board of Supervisors, County Manager, and Controller have all contributed to the improvement of the quality, presentation, and accessibility of financial information. The Board of Supervisors initiated and the County Manager's Office implemented the first year of a three-year plan to convert the County's budget process to the new Outcome Based Management (OBM) format. The Controller submitted the County's first award winning Comprehensive Annual Financial Report (CAFR), submitted a department-wide OBM budget, and prepared the FY2001 financial statements in accordance with the new reporting model set forth in GASB Statement No. 34 one year earlier than required. The County's budget and CAFR are accessible to the public through the County's website at [www.co.sanmateo.ca.us](http://www.co.sanmateo.ca.us).

County management is responsible for establishing and maintaining a comprehensive internal control framework designed to ensure that the assets of the County are protected from loss, theft or misuse, and that accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control framework is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the likely benefits; (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions in compliance with laws and regulations, contracts and grants.

### **Budgetary Controls**

The County maintains budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Supervisors. Activities of the General Fund, certain Special Revenue, certain Debt Service and Capital Projects Funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is maintained at the object level (e.g., Salaries & Benefits, Services & Supplies) for all budget units within the County. Any amendments or transfers of appropriations between object levels or between budget units within any department or fund must be authorized by the County Manager's office and approved by the Board of Supervisors. Supplemental appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution, the County Manager is authorized to approve transfers and revision of appropriations under \$50,000 within a single budget unit as deemed necessary and appropriate. Any appropriations remaining in the department at the end of the fiscal year automatically lapse and are transferred to available fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year. An encumbrance accounting system is used to facilitate effective budgetary

control. An encumbrance reserves a portion of an appropriation at the time a commitment is made to acquire goods or services. Open encumbrances are reported as reservations of fund balances at fiscal year-end and are re-appropriated as part of the following year's budget.

### **Debt Administration**

The County has capital lease obligations under lease/purchase agreements for various County buildings and other property. Recent lease/purchase agreements have been made with the San Mateo County Joint Powers Financing Authority, a joint exercise of powers agency organized in May 1993 to assist the County in the financing of public capital improvements. Prior agreements were made with the San Mateo County Hall of Justice and Records Corporation, a California nonprofit public benefit organization incorporated in 1967 which has assisted the County in the financing of public capital improvements. The books for this corporation were closed last fiscal year. Total outstanding obligations in the form of lease revenue bonds (backed by a pledge of revenues consisting of base rental payments payable by the County under the lease/purchase agreements) at June 30, 2001 were \$269,749,000.

### **Cash Management**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of earning interest through investments. Cash and investments for most County activities are included in the investment pool. Cash and investments managed separately from the investment pool include those of the SamCERA and JPFA. The investment pool also includes both voluntary and involuntary participation from entities external to the County reporting entity. State of California statutes require certain government entities and special districts to maintain their surplus cash with the County Treasurer.

California Government Code statutes and the County's investment policy govern the County's investment pool activity. The County's investment policy has the following objectives: safety, liquidity, yield and public trust. Those statutes and policy authorize the County Treasurer to invest in securities issued by the U.S. Government Treasury and its Agencies, certain corporate bonds, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund (LAIF). A Treasury Oversight Committee monitors and reviews the management of public funds maintained in the investment pool.

The County pool investments returned an average yield of 5.64% during the fiscal year ended June 30, 2001. This compares with the average yield of 5.58% earned during the previous fiscal year.

The SamCERA Pension Trust Fund is governed by the Board of Retirement and investments are administered by money management advisory firms. The investment policy of the Board of Retirement is to pursue an investment strategy which reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes and adopt an asset allocation to guide the structure of the investment portfolio. The investment objective of the Board of Retirement, among others, is to generate portfolio returns which, over the long-term, exceed the rate of inflation by not less than 3.25%, by generating market returns within each asset class.

SamCERA's latest asset allocation plan (as revised April 2000) specified an asset allocation target of 65% equities, 29% fixed income securities and 6% real estate. At June 30, 2001, actual asset allocation was 60% equities, 32% fixed income securities and 8% real estate. For fiscal year 2000-01, SamCERA's total plan return was a negative 4.25% or 14.2 percentage points lower than last year. The negative total portfolio return was driven by the big decline in the equity markets. SamCERA's negative performance in the equity markets was partially offset by positive contributions by the fixed income and real estate investments.

### **Risk Management**

The County maintains a comprehensive risk management program administered by a full-time professional risk manager and staff. The County is self-insured for property damage, general liability, workers' compensation, automobile liability, medical malpractice, dental and long-term disability insurance. Commercial insurance companies provide excess insurance coverage for property damage, general liability, workers' compensation, automobile liability and medical malpractice claims.

The County currently reports its risk management activities in its Workers' Compensation Insurance, Long-Term Disability, Personal Injury and Property Damage Trust Funds (Internal Service Funds). A separate Employee Benefits Trust Internal Service Fund is maintained to cover self-insured employee benefits programs.

The County's Risk Management office administers claims for the various programs, provides loss prevention services and minimizes risks through various risk control strategies. County management believes that assets of the self-insurance funds together with the commercial insurance companies' coverage will be adequate to meet insurance claims as they come due.

In accordance with the California Government Code section 24156, the County maintains a Program of Self-Insurance in lieu of official bonds for certain elective County officers (Assessor-County Clerk-Recorder, Coroner, District Attorney, Sheriff and Members of the Board of Supervisors) and a blanket bond of \$1,500,000 each for the Treasurer-Tax Collector and the Controller.

### **Pension Trust Fund Operations**

The County participates in and contributes to a defined benefit pension plan that provides retirement, disability, and death benefits for substantially all employees of the County. Contributions are made to SamCERA, which is reported, as a Pension Trust Fund in the County's financial statements. A complete financial report is available from SamCERA that includes financial statements and required supplementary information.

## **OTHER INFORMATION**

### **Independent Audit**

The Charter of the County (Article VI Section 603) provides that the Board of Supervisors shall have an annual audit made by a certified public accountant and the auditor shall report on the County's financial transactions and records and the effectiveness of internal controls. The Board of Supervisors in consultation with the Grand Jury selected the firm of Macias, Gini & Company LLP to perform the FY2000-2001 audit. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133, auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The independent auditor's report on the basic financial statements, required supplementary information and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws, regulations, contracts and grant agreements can be found in a separately issued single audit report.

### **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 comprehensive annual financial report for the fiscal year ended June 30, 2000. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.



## **Acknowledgments**

I wish to extend a special thanks to all the departments and agencies who contributed financial information to this report. It is my goal to publish financial information on a schedule that is more helpful to policy leaders and County managers. Without the cooperation of these professionals it would not be possible. I also wish to express my appreciation to the staff of the Controller's Office whose hard work, professionalism and dedication are responsible for the preparation of this report two months earlier than last year. In particular I wish to extend my gratitude to Bob Adler, Tat Ling Chow, Susan Tumang, and Lorna Uy for their exceptional efforts in implementing the requirements of GASB Statement No. 34 one year sooner than required. I wish to also thank the Grand Jury Auditors, Macias, Gini & Company LLP, and specifically Rick Green, Linda Hurley, Kevin O'Connell and Cindy Pon for their extra efforts and assistance in meeting the new reporting requirements and deadlines. Most importantly, I would like to thank the Board of Supervisors, the County Manager's Office and all County departments for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,

Tom Huening  
Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Mateo,  
California

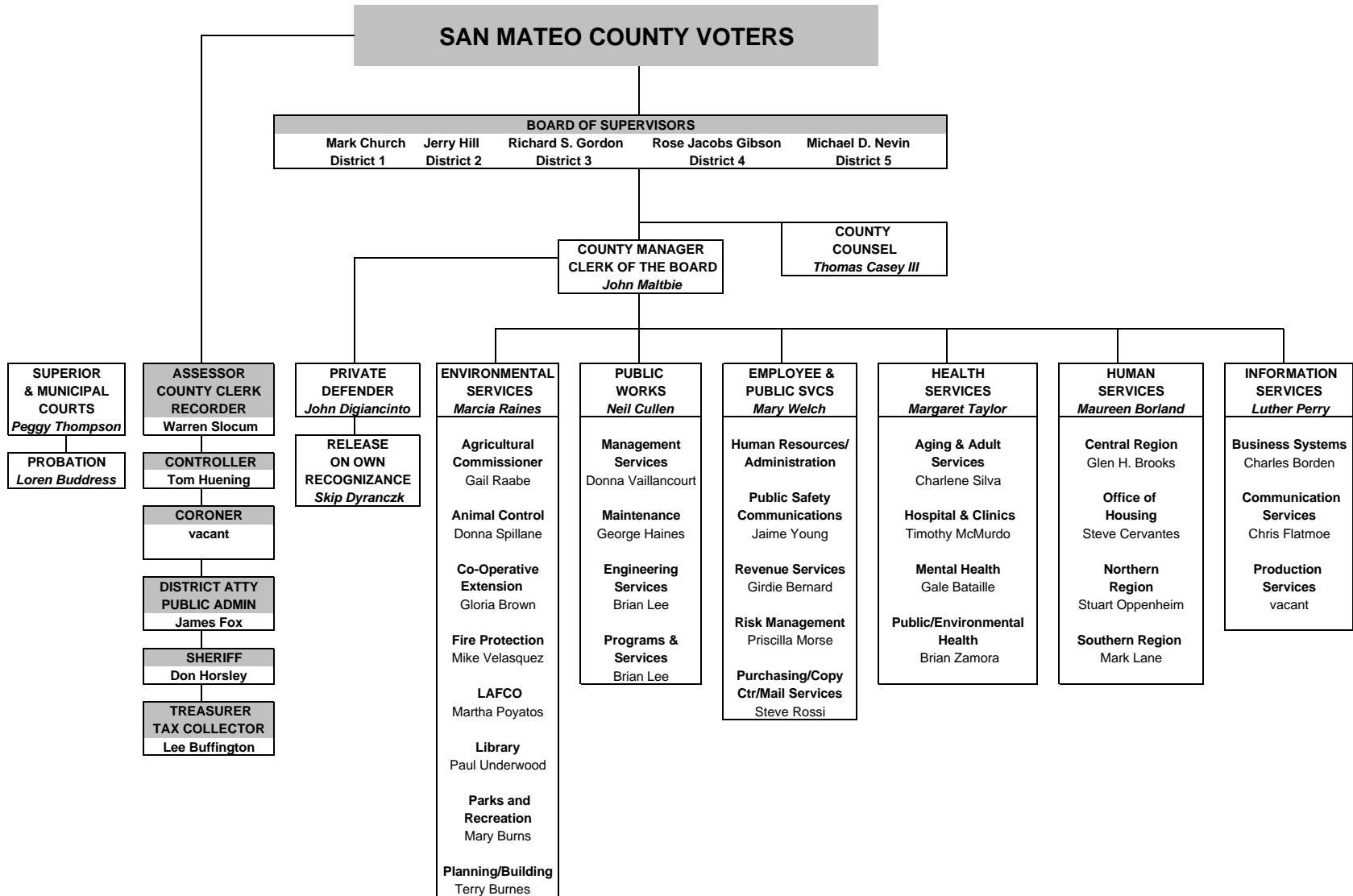
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*James D. Crave*  
President

*Jeffrey L. Esler*  
Executive Director



as of 6/30/2001

# COUNTY OF SAN MATEO PUBLIC OFFICIALS

## ELECTED OFFICIALS

June 30, 2001

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Supervisor, District 5	Michael D. Nevin, President
Supervisor, District 1	Mark Church
Supervisor, District 2	Jerry Hill
Supervisor, District 3	Richard S. Gordon
Supervisor, District 4	Rose Jacobs Gibson
Assessor/Clerk/Recorder	Warren Slocum
Controller	Tom Huening
Coroner	vacant
District Attorney/Public Administration	James Fox
Sheriff/Office of Emergency Services	Don Horsley
Treasurer/Tax Collector	Lee Buffington

## APPOINTED OFFICIALS

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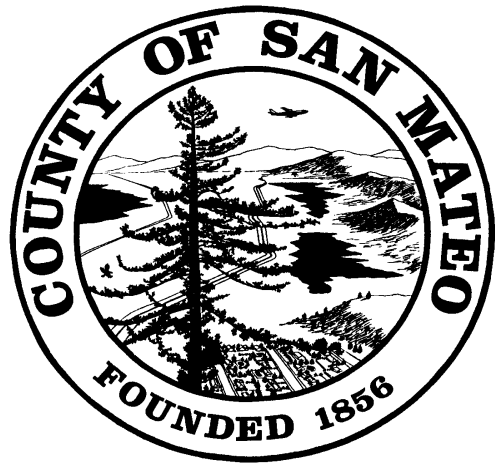
County Manager	John Maltbie
County Counsel	Thomas Casey III
County Probation Officer ( <i>appointed by the Judiciary</i> )	Loren Buddress
Court Executive Officer/Jury Commissioner ( <i>appointed by the Judiciary</i> )	Peggy Thompson
Private Defender ( <i>appointed by the Bar Association</i> )	John Digiancinto
Release on Own Recognizance ( <i>appointed by the Bar Association</i> )	Skip Dyranczk
Employee & Public Services Director	Mary Welch
Environmental Services Director	Marcia Raines
Health Services Director	Margaret Taylor
Human Services Director	Maureen Borland
Information Services Director	Luther Perry
Public Works Director	Neil Cullen

## AFFILIATED ORGANIZATIONS

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Administrator, San Mateo County Retirement Association (SAMCERA)	Sid McCausland
Manager, Housing Authority of San Mateo County	Frank Salmeron

(as of June 30, 2001)



**FINANCIAL  
SECTION**



Macias, Gini & Company LLP  
 Certified Public Accountants and  
 Management Consultants

*Partners:*  
 Kenneth A. Macias, Managing Partner  
 Ernest L. Gini  
 Kevin J. O'Connell  
 Richard A. Green  
 Ian A. Rosati  
 James V. Godsey

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 2175 N. California Boulevard  
 Suite 620  
 Walnut Creek, CA 94596-3563  
 925•274•0190  
 925•274•3819 fax  
 www.maciasgini.com

To the Grand Jury and Board of Supervisors  
 of the County of San Mateo, California

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying basic financial statements of the County of San Mateo, California, (the County), as of and for the fiscal year ended June 30, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the County of San Mateo, California (the Housing Authority), which represents 38% and 19% of the assets and program revenues of the Statement of Net Assets - Business-Type Activities and Statement of Activities - Business-Type Activities, respectively, and 27% and 19% of the assets and revenues of the Statement of Fund Net - Assets - Proprietary Funds and Statement of Revenues, Expenses and Changes in Fund Net - Assets - Proprietary Funds, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Housing Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 2001, and the results of its operations and the cash flows of its proprietary funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the County adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as of July 1, 2000. In addition, as described in Note 2, the County adopted the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as of July 1, 2000.

OFFICE LOCATIONS

Sacramento • Los Angeles • Fresno • San Francisco Bay Area

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated October 5, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

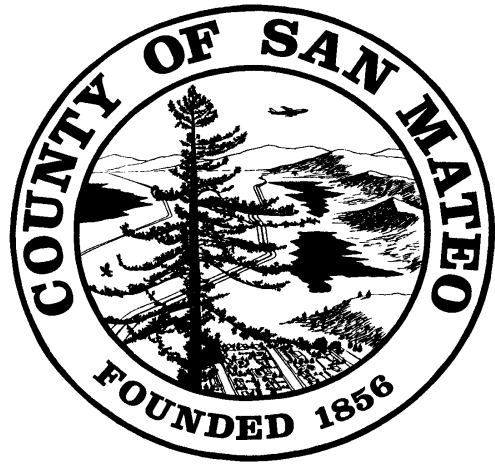
The Management's Discussion and Analysis (MD&A) and the required supplementary information other than MD&A, are not a required part of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information identified in the table of contents as combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory and statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.

*Macias, Gini & Company LLP*  
Certified Public Accountants

Walnut Creek, California  
October 5, 2001



## **Management's Discussion and Analysis**



# Management's Discussion and Analysis

This section of the County of San Mateo's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2001. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

## FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2000-2001 fiscal year by \$597,452 (*net assets*). Of this amount, \$275,598 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$58,966 is restricted for specific purpose (*restricted net assets*), and \$262,888 is invested in capital assets, net of related debt.
- The government's total net assets increased by \$84,839. Approximately twenty six percent of this increase is attributable to the increase in taxes collected during the year.
- As of June 30, 2001, the County governmental funds reported combined fund balances of \$330,425, an increase of \$44,618 in comparison with the prior year. Approximately 72% of the combined fund balances, \$239,151 is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$173,189, or 34% of total general fund expenditures. This entire amount is budgeted to be spent in the next fiscal year.
- The County's total long-term debt decreased by \$5,542 in comparison with the prior year. The decrease resulted primarily from scheduled principal retirements of lease revenue bonds and certificates of participation, net of accretion (\$4,970) and the retirement of the East Palo Alto Waterworks State note (\$416).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 in part 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, education and recreation. The business-type activities of the County include the San Mateo County General Hospital (Hospital), Community Health Clinics (Clinics), Airports, Coyote Point Marina and Housing Authority operations.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Examples are the San Mateo Joint Powers Financing Authority, San Mateo County Employees' Retirement Association (SamCERA), the San Mateo County Housing Authority, and the In-Home Supportive Services Public Authority. The Children and Families First Commission (the Commission) is reported as

## Management's Discussion and Analysis (Continued)

a discretely presented component unit because there is some financial accountability by the Commission to the County Board.

**The government-wide financial statements can be found on pages 14-16 of this report.**

**Fund Financial Statements** are groupings of related accounts that are 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 finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 funds 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 a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 government'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*.

The County maintains twenty-one individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and the San Mateo Joint Powers Financing Authority. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

**The governmental funds financial statements can be found on pages 17-20 of this report**

**Proprietary funds** are maintained two ways. *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 Hospital, Clinics, Airports, Coyote Point Marina and Housing Authority operations. *Internal service funds* are an accounting device 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 trust, employee benefits trust, personal injury and property damage, fleet maintenance and Tower Road construction functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Hospital, Clinics and Housing Authority operations are considered to be major funds of the County. The County's six internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

**The proprietary funds financial statements can be found on pages 21-24 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 much like that used for proprietary funds except for agency funds.

**The fiduciary fund financial statements can be found on pages 25-26 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 27-60 of this report.

## Management's Discussion and Analysis (Continued)

**Required Supplementary Information** is presented concerning the County General Fund budgetary schedule, infrastructure assets reported using the modified approach and SamCERA pension schedules. The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The SamCERA pension schedules have been provided to present SamCERA's progress in funding its obligation to provide pension benefits to County employees. Required supplementary information can be found on pages 61-77 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 78-126 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

This year is the first period the County applied Governmental Accounting Standards Board (GASB) Statement No. 34. The County has not restated prior periods for purposes of providing the comparative data for the Management's Discussion and Analysis (MD&A) because certain prior-year information is unavailable. However, in future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$597,452 at the close of the most recent fiscal year.

Statement of Net Assets June 30, 2001			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 521,336	\$21,437	\$ 542,773
Capital assets	480,696	56,859	537,555
Total assets	\$1,002,032	\$78,296	\$1,080,328
Current and other liabilities	\$ 126,444	\$23,022	\$ 149,466
Long-term liabilities	325,669	7,741	333,410
Total liabilities	452,113	30,763	482,876
Net assets:			
Invested in capital assets, net of related debt	209,076	53,812	262,888
Restricted net assets	55,235	3,731	58,966
Unrestricted net assets	285,608	(10,010)	275,598
Total net assets	549,919	47,533	597,452
Total liabilities and net assets	\$1,002,032	\$78,296	\$1,080,328

The largest portion of the County's net assets (46 percent) represents *unrestricted net assets* of \$275,598 which may be used to meet the County's ongoing obligations to citizens and creditors.

Another significant portion of the County's net assets of \$262,888 (44 percent) reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the County's net assets of \$58,966 (10 percent ) represents resources that are subject to external restrictions on how they may be used.

## Management's Discussion and Analysis (Continued)

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities. For business-type activities, the County reported a negative balance of (\$10,010) in unrestricted net assets. This negative balance was due primarily to costs rising more rapidly than revenues.

The County's net assets increased by \$84,839 during the current fiscal year. About twenty six percent of this increase is attributable to the increase in tax collection. The remainder of this growth largely reflects increases in charges for services, operating grants, and investment earnings.

**Governmental activities.** Governmental activities increased the County's net assets by \$95,858, thereby accounting for 100 percent of the total growth in net assets of the County.

The following table indicates the changes in net assets for governmental and business-type activities:

Statement of Activities  
For the Year Ended June 30, 2001

	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 110,672	\$ 92,496	\$203,168
Operating grants and contributions	320,699	83,204	403,903
Capital grants and contributions	140	147	287
<b>General revenues:</b>			
Property taxes	130,871	-	130,871
Other taxes	27,485	-	27,485
Motor vehicle in-lieu taxes	44,814	-	44,814
Unrestricted interest and investment earnings	28,049	847	28,896
Miscellaneous	11,819	268	12,087
Total revenues	<u>674,549</u>	<u>176,962</u>	<u>851,511</u>
<b>Expenses:</b>			
General government	50,942	-	50,942
Public protection	191,195	-	191,195
Public ways and facilities	15,611	-	15,611
Health and sanitation	142,654	-	142,654
Public assistance	149,934	-	149,934
Education	179	-	179
Recreation	7,277	-	7,277
Interest on long-term debt	13,866	-	13,866
San Mateo County General Hospital	-	114,694	114,694
Community Health Clinics	-	43,912	43,912
Airports	-	1,591	1,591
Coyote Point Marina	-	1,260	1,260
Housing Authority	-	34,052	34,052
Total expenses	<u>571,658</u>	<u>195,509</u>	<u>767,167</u>
Excess (deficiency) before special items and transfers	102,891	(18,547)	84,344
Special items	495	-	495
Transfers	(7,528)	7,528	-
Change in net assets	<u>95,858</u>	<u>(11,019)</u>	<u>84,839</u>
Net assets – July 1, 2000	<u>454,061</u>	<u>58,552</u>	<u>512,613</u>
Net assets – June 30, 2001	<u>\$ 549,919</u>	<u>\$ 47,533</u>	<u>\$ 597,452</u>

## Management's Discussion and Analysis (Continued)

Key elements of the increase of \$ 95,858 are as follows:

- Property taxes increased by \$10,315 during the year. This increase is primarily due to a 9.9% or \$7.2 billion increase in property tax assessment roll in comparison to the prior year. Sales taxes increased by \$2,578.
- Motor Vehicle in Lieu Tax increased by \$8,936 and Proposition 172 Public Safety Tax (other tax) also increased by \$7,017.
- Investment earnings reflected an increase of \$5,164 due to the increase in the average yield of County pool investments from 5.58% to 5.64% and cash available for investment.
- Charges for services earned by the departments increased by \$4,824.

Although expenditures for certain functional categories reflected increases to parallel inflation and growth in the demand for services; overall, expenditures for governmental activities decreased due to the reclassification of the Housing Authority's housing assistance payments (\$29,090) from a special revenue fund to an enterprise fund.

**Business-type activities.** Business-type activities decreased the County's net assets by (\$11,019) or 11% of the total growth in governmental activities' net assets. Key factors that contributed to this deficit were the continuing rise in the costs of pharmaceuticals, medical supplies and equipment for the Hospital and the Clinics, and the reduction of \$4,273 in state and federal assistance for the Hospital and \$1,354 for the Clinics. The reclassification of one County agency fund which showed a net loss of \$3,068 to an enterprise fund also added to the deficit.

To help finance the operations of the Hospital and the Clinics, the General Fund transferred \$12,591 to the Hospital and \$4,246 to the Clinics during the year.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June, 30, 2001, the County's governmental funds reported combined fund balances of \$330,425, an increase of \$44,618 in comparison with the prior year. Approximately 72% of the combined fund balances, \$239,151, constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed: 1) to pay debt service (\$57,255); 2) to reflect inventories and the amount due from other funds that are long-term in nature and thus do not represent available spendable resources (\$8,821); and 3) to liquidate contractual commitments of the period (\$25,198).

The general fund is the chief operating fund of the County. At June 30, 2001, unreserved fund balance of the general fund was \$173,189 while total fund balance reached \$188,384. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34 percent of total fund expenditures, while total fund balance represents 37 percent of that same amount.

Revenues for governmental functions totaled approximately \$654,356 in fiscal year 2000-2001, which represents an increase of 4% from fiscal year 1999-2000.

## Management's Discussion and Analysis (Continued)

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source Governmental Funds						
Revenues by Source	FY 2001		FY 2000		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 152,469	23.30%	\$ 135,970	21.57%	\$ 16,499	12.13%
Licenses and permits	7,786	1.19%	6,079	0.96%	1,707	28.08%
Use of money and property	27,325	4.18%	23,954	3.80%	3,371	14.07%
Intergovernmental	351,795	53.76%	363,420	57.66%	(11,625)	(3.20%)
Charges for services	90,972	13.90%	66,842	10.61%	24,130	36.10%
Fines, forfeitures, and penalties	11,127	1.70%	11,626	1.85%	(499)	(4.29%)
Other	12,882	1.97%	22,363	3.55%	(9,481)	(42.40%)
Total	\$ 654,356	100.00%	\$ 630,254	100.00%	\$ 24,102	3.82%

The following provides an explanation of revenues by source that changed significantly over the prior year.

- Taxes – the increase of \$16,499 was primarily due to an increase in the property tax assessment roll of 9.9% or \$7.2 billion more than the previous year.
- Licenses and permits – licenses and permits of the Solid Waste Special Revenue Fund increased from \$2,415 to \$3,965 or 64% over fiscal year 2000-2001. This increase contributed to the \$1,707 increase in licenses and permits revenue over the same time period. In addition, effective January 1, 2000, Browning-Ferris Industries payments for the use of the Ox mountain landfill were reclassified from charges for services to the licenses and permits revenue account.
- Intergovernmental revenues – the decrease of \$11,625 was primarily due to the \$31,540 reclassification of the Housing Authority's intergovernmental revenues from a special revenue fund to an enterprise fund. The reduction of \$31,540 was diminished by increases in Motor Vehicle in Lieu Tax of \$8,936 and Proposition 172 Public Safety Tax of \$7,017, and the addition of other County agency fund revenues of \$2,565.
- Charges for services – the project cost reimbursement of \$7,556 for non-departmental services was reclassified from other revenues to charges for services during the year. Other factors that contributed to the increase were the increase in charges for services in several departments (\$4,824), third party reimbursements recognized this year due to timing differences (\$7,717) and capital project cost reimbursements of \$3,002. Capital project cost reimbursements consisted of the County-wide radio upgrade (\$1,400), Health Services project (\$424), and other County projects (\$1,178).
- Other revenues – the decline in this revenue category was primarily due to project cost reimbursements (\$4,221) reclassified to charges for services and Tobacco settlement (\$4,358) reclassified to intergovernmental revenues in the current year.

## Management's Discussion and Analysis (Continued)

The following table presents expenditures by function compared to prior year amounts.

Expenditures By Function Governmental Funds						
Expenditures by Function	FY 2001		FY 2000		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 49,311	8.17%	\$ 44,420	7.27%	\$ 4,891	11.01%
Public protection	187,004	30.98%	177,912	29.12%	9,092	5.11%
Public ways and facilities	20,505	3.40%	15,921	2.60%	4,584	28.79%
Health and sanitation	141,622	23.46%	134,028	21.94%	7,594	5.67%
Public assistance	149,100	24.70%	171,723	28.10%	(22,623)	(13.17%)
Education	183	0.03%	185	0.03%	(2)	(1.08%)
Recreation	6,773	1.12%	6,182	1.01%	591	9.56%
Capital outlay	29,126	4.83%	38,414	6.29%	(9,288)	(24.18%)
Debt service – principal retirement	6,656	1.10%	5,902	0.97%	754	12.78%
Debt service – interest charges	13,365	2.21%	16,336	2.67%	(2,971)	(18.19%)
Total	\$ 603,645	100.00%	\$ 611,023	100.00%	\$ (7,378)	(1.21%)

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- General government – the increase of \$4,891 is primarily due to the reclassification of other County agency funds to the appropriate governmental fund. Expenditures reclassified to the General Fund under the general government function amounted to \$4,846.
- Public ways and facilities – the increase can be attributed to a 29% increase in construction costs and activities in the Road Special Revenue Fund. Significant expenditures were incurred for contract payments on several projects such as the Middlefield Road reconstruction (\$2,212), West Menlo Park reconstruction (\$698), and Sequoia Tract reconstruction (\$480) projects .
- Public assistance – the decline of 13% was mainly due to the \$29,090 reclassification of the Housing Authority's housing assistance payments from a special revenue fund to an enterprise fund.
- Capital outlay – the construction activity was higher in the prior year for the Health Center (\$14,000) and Colma Creek Flood Control (\$5,000) projects. As the Health Center's project nears completion, expenditures will significantly reduce. Costs amounted to \$7,269 in the current year. For the Colma Creek Flood Control, two projects, Old Mission Road and South Airport Boulevard, were completed in fiscal year 1999-2000.
- Debt service – interest charges – the reduction in interest charges resulted from the County incurring \$2,308 in interest expense in the prior year related to the \$70,110 Tax Anticipation Note which matured on July 1, 1999.

Other financing sources and uses are presented below to illustrate changes from the prior year:

Other Financing Sources (Uses) Governmental Funds				
	FY 2001	FY 2000	Increase/(Decrease)	
			Amount	Percent
Proceeds from sale of capital assets	\$ 1,500	\$ -	\$ 1,500	100.00%
Transfers in	50,445	47,045	3,400	7.23%
Transfers out	(58,038)	(52,075)	(5,963)	(11.45%)
Capital lease financing	-	560	(560)	(100.00%)
Net financing sources (uses)	\$ (6,093)	\$ (4,470)	\$ (1,623)	(36.31%)

## Management's Discussion and Analysis (Continued)

- Proceeds from sale of capital assets – these are the result of two sale transactions involving excess land that were not needed for public use by the County.
- Transfers out – the majority of the increase was due to operating subsidies made by the General Fund and the County Half-Cent Transportation Fund to the Hospital amounting to \$3,380 to help finance its operations during the year.
- Capital lease financing – in fiscal year 1999-2000, a capital lease agreement between the County and GE Capital Public Finance was executed to finance energy saving lighting fixtures worth \$560 in conjunction with the Environmental Protection Agency's Green Lights Program. No new capital leases for governmental funds were entered into by the County during the current year.

The current year excess of revenues and other financing sources over expenditures and other financing uses is presented below:

### Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

	Major Funds		Nonmajor Funds			Total
	General Fund	Joint Powers Financing Authority	Special Revenue Fund	Debt Service Fund	Capital Projects Funds	
Revenues	\$ 584,867	\$ 3,921	\$ 56,928	\$ 453	\$ 8,187	\$ 654,356
Expenditures	(513,273)	(28,233)	(47,534)	(41)	(14,564)	(603,645)
Other financing sources (uses), net	(33,739)	18,185	1,648	730	7,083	(6,093)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	37,855	(6,127)	11,042	1,142	706	44,618
Fund balances – July 1, 2000, as restated	150,529	56,362	64,512	5,878	8,526	285,807
Fund balances – June 30, 2001	<u>\$ 188,384</u>	<u>\$ 50,235</u>	<u>\$ 75,554</u>	<u>\$ 7,020</u>	<u>\$ 9,232</u>	<u>\$ 330,425</u>

The fund balance of the County's general fund increased by \$37,855 during the fiscal year. The key factor in this growth is the increase in revenues of \$47,146. This increase was mainly due to increases in charges for services (\$21,021), taxes (\$15,180), and intergovernmental revenues (\$16,618). Services such as assessments and tax fees, food, parks, audits, and institutional care increased. Intergovernmental revenues from Proposition 172 sales tax increased from \$58,232 to \$65,250 to finance the functions of the Sheriff, Coroner, Probation Department, and the District Attorney.

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

The Hospital had a deficit in unrestricted net assets of (\$10,050) at June 30, 2001 and (\$1,091) for the Clinics. The total decline in net assets for the Hospital was \$9,328 and for the Clinics was \$915 due to costs rising more rapidly than revenues. Costs of pharmaceuticals, medical supplies and equipment increase at a rate higher than the rate of inflation. The Hospital received \$4,273 and the Clinics received \$1,354 less in state and federal assistance during the year.



## Management's Discussion and Analysis (Continued)

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	Major Funds			Non-major Funds		Total
	General Hospital	Community Health Clinics	Housing Authority	Airports	Coyote Point Marina	
Operating revenues	\$ 68,938	\$ 20,141	\$ 1,596	\$ 1,630	\$ 1,039	\$ 93,344
Operating expenses	(113,810)	(43,601)	(33,944)	(1,571)	(1,208)	(194,134)
Operating income (loss)	(44,872)	(23,460)	(32,348)	59	(169)	(100,790)
Non-operating revenues (expenses), net	31,333	19,214	32,080	30	509	83,166
Net income (loss) before contributions and transfers	(13,539)	(4,246)	(268)	89	340	(17,624)
Contributions and transfers	4,211	3,331	-	133	-	7,675
Net income (loss)	<u>\$ (9,328)</u>	<u>\$ (915)</u>	<u>\$ (268)</u>	<u>\$ 222</u>	<u>\$ 340</u>	<u>\$ (9,949)</u>

The net loss before contributions and transfers of enterprise funds of (\$17,624) resulted primarily from a net loss of (\$13,539) for the Hospital and (\$4,246) for the Clinics. The net loss for the Hospital increased by \$6,224 when compared to the prior year and was attributed to the \$4,273 reduction in state and federal assistance and the loss of \$573 from the disposal of capital assets. In addition, implementation of the new \$42,000 Health Information Technology (HIT) System has been costly and time-consuming. The Clinics' net loss increased by \$1,451 due primarily to a 10% increase in operating expenses and the reduction of \$1,354 in state and federal assistance.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an \$11,081 increase in appropriations and can be briefly summarized as follows:

- The majority of the increase (\$8,877) can be attributed to an increase in Hospital and Clinic subsidy of \$4,462, SB855 transfer payment for services and supplies of \$1,398, Mental Health services expenditures of \$1,094, Public Health expenditures of \$936, and other smaller increases in other divisions of Health Services amounting to \$987. These increases are due to unanticipated revenues coming from grants applied for at different times as well as the reallocation of additional state and federal funding.

Of this increase, approximately \$8,760 was budgeted from grants and contributions from other governments. The remaining \$2,321 was budgeted from normal operating revenues and other financing sources.

During the year, actual revenues were less than budgetary estimates by \$41,216. Majority of this amount, \$39,290, represents interfund revenue to account for activity between funds. Actual expenditures were less than budgetary estimates by \$193,801. Appropriations included an equivalent amount (\$39,290) for interfund activity which is distributed to different departments by function. The County also appropriated \$112,699 for contingencies and departmental reserves as part of the County reserve policy. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$152,585, thus eliminating the need to draw upon existing fund balance.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2001, amounted to \$537,555 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was 4.59 percent.

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased by \$17,401 due mainly to the Health Center project (\$7,269), Colma Creek Flood Control construction (\$1,972), county-wide radio upgrade system (\$4,209), and various other projects

## Management's Discussion and Analysis (Continued)

(\$3,951). Construction in progress was reduced by transfers of completed projects of \$4,675 to structures and improvements.

- Infrastructure assets of \$5,024 were added during the year of which \$4,996 were part of the pavement subsystem of the road network. Several projects such as the Middlefield Road reconstruction (\$2,212), West Menlo Park reconstruction (\$698), and Sequoia Tract reconstruction (\$480) accounted for most of the pavement subsystem increase.
- There were two sales and one transfer transaction involving land during the year.
- For government-wide financial statement presentation, all depreciable capital assets except infrastructure using the modified approach were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2000		2000		2000		Percent of Change
	2001	As restated	2001	As restated	2001	As restated	
Infrastructure	\$ 83,981	\$ 79,679	\$ -	\$ -	\$ 83,981	\$ 79,679	5.40%
Land and easements	54,490	54,724	10,147	10,000	64,637	64,724	(0.13%)
Structures and improvements	275,658	279,539	32,852	29,891	308,510	309,430	(0.30%)
Equipment	15,054	13,286	7,432	6,326	22,486	19,612	14.65%
Construction in progress	51,513	31,386	6,428	9,154	57,941	40,540	(42.92%)
<b>Total</b>	<b>\$480,696</b>	<b>\$458,614</b>	<b>\$56,859</b>	<b>\$55,371</b>	<b>\$537,555</b>	<b>\$513,985</b>	<b>4.59%</b>

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34. The County has elected to use the modified approach for infrastructure reporting of its pavement subsystem of the road network, amounting to \$62,762. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated. The remaining networks and other road network subsystems use the depreciation method of reporting capital assets. These are being evaluated for the appropriateness and feasibility of conversion to the modified approach in future periods. Historical cost of the flood control network is not available as of June 30, 2001 and therefore, not yet presented in the financial statements.

The County manages its maintained pavement subsystem of the road network using the Metropolitan Transportation Commission's Pavement Management Program (Program). The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0 – 100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCI of 40 or better to be in a "Fair" or better condition and roads with PCI of 55 or better to be in a "Good" or better condition. It is the County's policy to maintain at least 75 percent of its primary maintained road system (roads with structural sections) at a PCI of 55 or better and the secondary maintained road system (roads without structural sections) at a PCI of 40 or better. Condition assessments are determined every three years.

As of June 30, 2001, the County's maintained pavement subsystem was rated at a PCI index of 67 on the average for primary roads and 33 for secondary roads. The majority of roads falling below the established rating are in the secondary road category (PCI 40) and can be directly related to the fact that these roads were acquired by the County with inadequate or no structural sections. Many of these roads are in rural settings with minimal traffic and will require large expenditures and many years to attain the adopted ratings.

For the year ended June 30, 2001, actual maintenance and preservation costs of \$7,786 were less than estimated by \$5,964 or 43 percent. The variance is due mostly to road projects that were not completed at the end of fiscal year 2001, and therefore, includes a portion of the estimated project costs that will be expended during the subsequent fiscal year.

## Management's Discussion and Analysis (Continued)

### Long-term debt

At June 30, 2001, the County had total long-term debt outstanding of \$271,934 as compared to \$277,476 in the prior year. This amount was comprised of \$254,364 of lease revenue bonds, \$15,385 of certificates of participation and \$2,185 of notes payable. During the year, retirement of debt amounted to \$6,308. Additions, accretions and other adjustments amounted to \$766.

The County's Ordinance No. 3773 limits the County annual debt service to 4 percent of the average annual County budget for the current and the preceding four fiscal years. The fiscal year 2000-2001 debt service limit is \$31,769. The amount subject to the debt service limit is \$19,316 which is under the limit by \$12,453.

### Economic Factors and Next Year's Budget and Rates

- The County currently faces a less favorable economic environment from the market decline in the technology industry. A rebound of this industry is not likely to happen in the near future. The County unemployment rate has more than doubled from the low end of 1.2% at fiscal year end. The unemployment rate is expected to increase during the next fiscal year.
- The office rental market is also negatively impacted by the economic downturn. Vacancy rates have climbed to 9.7% at fiscal year end from 2.7% at the end of the first quarter. Rents continue to decline as demand diminishes. A turnaround in the market is not anticipated before mid-year 2002.
- Despite the preliminary real property assessment at January 1, 2001 showing an increase of 11 percent from the prior year, slower property tax growth is expected in fiscal year 2001/2002.
- Sales tax revenue is expected to increase at a slower pace because of a reduction in consumer confidence caused by the slowing economy.
- Revenues from the new International Terminal at the San Francisco International Airport will be less than expected because of the reduction in flights and passengers after September 11. Prior to September 11, there was already a reduction in air travel from the impact of the slowing economy.
- The financial position of the Hospital and Clinics has continued to deteriorate throughout the fiscal year. The San Mateo County Health Center continues to see costs rising more rapidly than revenue. The cost of pharmaceuticals, medical supplies and equipment is increasing much more rapidly than the rate of inflation.
- Escalating energy costs from the State's energy crisis may have a significant impact on the County budget.

All of these factors were considered in preparing the County's budget for fiscal year 2002.

During the current fiscal year, unreserved fund balance in the general fund increased to \$173,189. The County has appropriated the full amount for spending in the 2002 fiscal year budget.

### Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. 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, Redwood City, CA 94063.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 400 S. El Camino Real, Suite 1500, Redwood City, CA 94402.



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

**County of San Mateo  
Statement of Net Assets  
June 30, 2001  
(Dollars in Thousands)**

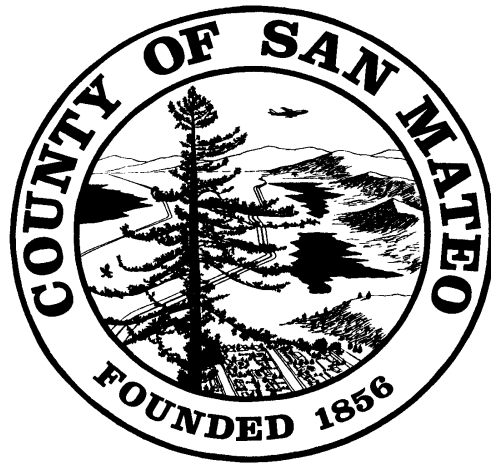
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b><u>ASSETS</u></b>				
Cash and investments	\$ 277,939	\$ 25,757	\$ 303,696	\$ 22,992
Restricted cash and investments	51,161	-	51,161	-
Receivables (net)	56,987	13,842	70,829	139
Due from other governmental agencies	67,400	12,583	79,983	1,639
Other assets	64	466	530	-
Inventories	577	405	982	-
Internal balances	31,616	(31,616)	-	-
Receivable from external parties	646	-	646	-
Mortgages receivable	34,946	-	34,946	-
Capital assets:				
Nondepreciable	168,765	16,575	185,340	-
Depreciable, net	311,931	40,284	352,215	-
Total assets	<u>\$ 1,002,032</u>	<u>\$ 78,296</u>	<u>\$ 1,080,328</u>	<u>\$ 24,770</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 22,722	\$ 3,583	\$ 26,305	\$ 45
Interest payable	6,140	2	6,142	-
Accrued salaries and benefits	5,750	1,717	7,467	5
Accrued liabilities	1	932	933	-
Due to other governmental agencies	24,753	11,050	35,803	-
Deferred revenue	66,464	5,508	71,972	-
Deposits	614	230	844	-
Compensated absences	29,257	4,694	33,951	22
Estimated claims	24,792	-	24,792	-
Long-term liabilities:				
Due within one year	6,356	726	7,082	-
Due beyond one year	265,264	2,321	267,585	-
Total liabilities	<u>452,113</u>	<u>30,763</u>	<u>482,876</u>	<u>72</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	209,076	53,812	262,888	-
Restricted	55,235	3,731	58,966	-
Unrestricted	285,608	(10,010)	275,598	24,698
Total net assets	<u>549,919</u>	<u>47,533</u>	<u>597,452</u>	<u>24,698</u>
 Total liabilities and net assets	 <u>\$ 1,002,032</u>	 <u>\$ 78,296</u>	 <u>\$ 1,080,328</u>	 <u>\$ 24,770</u>

The notes to the financial statements are an integral part of this statement.

**County of San Mateo**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities		Total
<b>Functions/Programs:</b>								
<b>Primary government</b>								
Governmental activities:								
General government	\$ 50,942	\$ 30,167	\$ 14,377	\$ 140	\$ (6,258)	\$ -	\$ (6,258)	
Public protection	191,195	23,460	96,313	-	(71,422)	-	(71,422)	
Public ways and facilities	15,611	2,338	18,780	-	5,507	-	5,507	
Health and sanitation	142,654	47,334	70,187	-	(25,133)	-	(25,133)	
Public assistance	149,934	6,188	120,924	-	(22,822)	-	(22,822)	
Education	179	-	6	-	(173)	-	(173)	
Recreation	7,277	1,185	112	-	(5,980)	-	(5,980)	
Interest on long-term debt	13,866	-	-	-	(13,866)	-	(13,866)	
Total governmental activities	<u>571,658</u>	<u>110,672</u>	<u>320,699</u>	<u>140</u>	<u>(140,147)</u>	<u>-</u>	<u>(140,147)</u>	
Business-type activities:								
San Mateo County General Hospital	114,694	68,717	31,968	-	-	(14,009)	(14,009)	
Community Health Clinics	43,912	20,067	19,223	-	-	(4,622)	(4,622)	
Airports	1,591	1,536	13	147	-	105	105	
Coyote Point Marina	1,260	1,036	461	-	-	237	237	
Housing Authority	34,052	1,140	31,539	-	-	(1,373)	(1,373)	
Total business-type activities	<u>195,509</u>	<u>92,496</u>	<u>83,204</u>	<u>147</u>	<u>-</u>	<u>(19,662)</u>	<u>(19,662)</u>	
Total primary government	<u>\$ 767,167</u>	<u>\$ 203,168</u>	<u>\$ 403,903</u>	<u>\$ 287</u>	<u>(140,147)</u>	<u>(19,662)</u>	<u>(159,809)</u>	
<b>Component unit:</b>								
Children and Families First Commission	<u>\$ 2,084</u>	<u>\$ -</u>	<u>\$ 9,866</u>	<u>\$ -</u>			\$ 7,782	
General revenues:								
Taxes:								
Property taxes					130,871	-	130,871	
Property transfer taxes					5,534	-	5,534	
Sales and use taxes					18,243	-	18,243	
Transient occupancy taxes					766	-	766	
Aircraft taxes					1,166	-	1,166	
Other					1,776	-	1,776	
Motor vehicle in-lieu taxes					44,814	-	44,814	
Unrestricted interest and investment earnings					28,049	847	28,896	
Miscellaneous					11,819	268	12,087	
Special items					495	-	495	
Transfers					(7,528)	7,528	-	
Total general revenues, special items, and transfers					<u>236,005</u>	<u>8,643</u>	<u>244,648</u>	
Change in net assets					95,858	(11,019)	84,839	
Net assets - July 1, 2000					<u>454,061</u>	<u>58,552</u>	<u>512,613</u>	
Net assets - June 30, 2001					<u>\$ 549,919</u>	<u>\$ 47,533</u>	<u>\$ 597,452</u>	
							<u>\$ 24,698</u>	

The notes to the 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, 2001  
(Dollars in Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b><u>ASSETS</u></b>				
Cash and investments	\$ 161,082	\$ -	\$ 90,830	\$ 251,912
Restricted cash and investments	-	51,161	-	51,161
Receivables (net):				
Accounts	10,383	-	1,180	11,563
Interest	1,675	941	601	3,217
Taxes	20,196	-	1,653	21,849
Advances	45	-	22	67
Other	19,429	-	526	19,955
Due from other funds	30,108	-	433	30,541
Due from other governmental agencies	65,446	-	1,954	67,400
Other assets	58	-	6	64
Inventories	105	-	383	488
Advances to other funds	5,113	-	3,220	8,333
Mortgages receivable	34,946	-	-	34,946
Total assets	<u>\$ 348,586</u>	<u>\$ 52,102</u>	<u>\$ 100,808</u>	<u>\$ 501,496</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 14,762	\$ 1,867	\$ 3,532	\$ 20,161
Accrued salaries and benefits	5,566	-	137	5,703
Due to other funds	2,561	-	1,672	4,233
Due to other governmental agencies	24,699	-	54	24,753
Advances from other funds	3,000	-	308	3,308
Deferred revenue	109,131	-	3,262	112,393
Deposits	483	-	37	520
Total liabilities	<u>160,202</u>	<u>1,867</u>	<u>9,002</u>	<u>171,071</u>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Encumbrances	9,977	-	15,221	25,198
Debt service	-	50,235	7,020	57,255
Inventories and advances	5,218	-	3,603	8,821
Unreserved, reported in				
General fund	173,189	-	-	173,189
Special revenue funds	-	-	59,771	59,771
Capital projects funds	-	-	6,191	6,191
Total fund balances	<u>188,384</u>	<u>50,235</u>	<u>91,806</u>	<u>330,425</u>
Total liabilities and fund balances	<u>\$ 348,586</u>	<u>\$ 52,102</u>	<u>\$ 100,808</u>	<u>\$ 501,496</u>

(Continued)

The notes to the 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 Assets - Governmental Activities**  
**June 30, 2001**  
**(Dollars in Thousands)**

<b>Fund balances - total governmental funds (page 17)</b>		\$ 330,425
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		475,366
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		45,929
Internal service funds are used by management to charge the costs of management of fleet maintenance, tower road construction, worker's 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 assets.		5,216
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	254,364	
Certificates of participation	15,385	
Notes payable	389	
Capital leases	913	
Compensated absences	29,257	
Accrued interest payable	6,140	
Settlement with State	569	
		(307,017)
<b>Net assets of governmental activities (page 14)</b>		<b>\$ 549,919</b>

The notes to the 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, 2001**  
**(Dollars in Thousands)**

	General Fund	Joint Powers Financing Authority	Other Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 141,972	\$ -	\$ 10,497	\$ 152,469
Licenses and permits	3,820	-	3,966	7,786
Use of money and property	16,895	3,619	6,811	27,325
Intergovernmental	326,469	-	25,326	351,795
Charges for services	77,498	-	13,474	90,972
Fines, forfeitures and penalties	7,205	-	3,922	11,127
Other	11,008	302	1,572	12,882
Total revenues	<u>584,867</u>	<u>3,921</u>	<u>65,568</u>	<u>654,356</u>
<b>Expenditures:</b>				
Current:				
General government	44,922	183	4,206	49,311
Public protection	181,731	-	5,273	187,004
Public ways and facilities	-	-	20,505	20,505
Health and sanitation	125,999	-	15,623	141,622
Public assistance	149,100	-	-	149,100
Education	183	-	-	183
Recreation	6,773	-	-	6,773
Capital outlay	3,831	9,241	16,054	29,126
Debt service:				
Principal	651	5,545	460	6,656
Interest	83	13,264	18	13,365
Total expenditures	<u>513,273</u>	<u>28,233</u>	<u>62,139</u>	<u>603,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,594</u>	<u>(24,312)</u>	<u>3,429</u>	<u>50,711</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	500	-	1,000	1,500
Transfers in	388	18,185	31,872	50,445
Transfers out	(34,627)	-	(23,411)	(58,038)
Total other financing sources (uses)	<u>(33,739)</u>	<u>18,185</u>	<u>9,461</u>	<u>(6,093)</u>
<b>Net change in fund balances</b>	37,855	(6,127)	12,890	44,618
Fund balances - beginning, as previously reported	139,150	56,362	77,311	272,823
Prior period adjustment	11,379	-	1,605	12,984
Fund balances - beginning, as restated	<u>150,529</u>	<u>56,362</u>	<u>78,916</u>	<u>285,807</u>
Fund balances - ending	<u>\$ 188,384</u>	<u>\$ 50,235</u>	<u>\$ 91,806</u>	<u>\$ 330,425</u>

(Continued)

The notes to the 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 - Governmental Activities**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

**Net change in fund balances - total governmental funds (page 19)** \$ 44,618

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 their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	32,169	
Less loss on retirement of capital assets	(1,047)	
Less current year depreciation	<u>(8,756)</u>	22,366

In the statement of activities, only the gain on the sale of the land is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the land sold. (289)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 23,823

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments:

Lease revenue bonds	5,345	
Certificate of participation	200	
Notes payable	480	
Capital lease	<u>631</u>	6,656

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.

Change in accrued interest payable	78	
Accretion of capital appreciation bonds	(575)	
Change in compensated absences	3,752	
A claim to be paid resulting from a settlement with State	(569)	
Transfer of land from governmental fund to enterprise fund	<u>(147)</u>	2,539

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities. (3,855)

**Change in net assets of governmental activities (page 16)** \$ 95,858

The notes to the financial statements are an integral part of this statement.

**County of San Mateo**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2001**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	San Mateo County General Hospital	Community Health Clinics	Housing Authority	Other Enterprise Funds	Total	Internal Service Funds
<b><u>ASSETS</u></b>						
Current assets:						
Cash and investments	\$ 4,437	\$ 3	\$ 19,017	\$ 2,300	\$ 25,757	\$ 26,027
Receivables (net):						
Accounts	7,432	5,124	237	18	12,811	179
Interest	24	-	140	14	178	157
Other	420	433	-	-	853	-
Due from other funds	3,616	1,002	-	-	4,618	79
Due from other governmental agencies	6,283	4,394	1,906	-	12,583	-
Other assets	1	-	211	-	212	-
Inventories	405	-	-	-	405	89
Total current assets	<u>22,618</u>	<u>10,956</u>	<u>21,511</u>	<u>2,332</u>	<u>57,417</u>	<u>26,531</u>
Noncurrent assets:						
Deposits	254	-	-	-	254	-
Capital assets:						
Nondepreciable:						
Land	841	-	1,128	8,178	10,147	-
Construction in progress	278	-	6,150	-	6,428	-
Depreciable:						
Structures and improvements	23,665	3,022	14,304	22,115	63,106	835
Equipment	10,917	556	883	142	12,498	14,048
Less accumulated depreciation	<u>(13,525)</u>	<u>(737)</u>	<u>(13,333)</u>	<u>(7,725)</u>	<u>(35,320)</u>	<u>(9,553)</u>
Total noncurrent assets	<u>22,430</u>	<u>2,841</u>	<u>9,132</u>	<u>22,710</u>	<u>57,113</u>	<u>5,330</u>
Total assets	<u>\$ 45,048</u>	<u>\$ 13,797</u>	<u>\$ 30,643</u>	<u>\$ 25,042</u>	<u>\$ 114,530</u>	<u>\$ 31,861</u>
<b><u>LIABILITIES</u></b>						
Current liabilities:						
Accounts payable	\$ 1,975	\$ 1,579	\$ 4	\$ 25	\$ 3,583	\$ 2,561
Accrued interest payable	-	-	2	-	2	-
Accrued salaries and benefits	861	375	463	18	1,717	47
Accrued liabilities	-	-	932	-	932	1
Due to other funds	21,142	9,061	-	6	30,209	220
Due to other governmental agencies	979	-	9,941	130	11,050	-
Current portion of long-term liabilities	584	23	-	119	726	-
Total current liabilities	<u>25,541</u>	<u>11,038</u>	<u>11,342</u>	<u>298</u>	<u>48,219</u>	<u>2,829</u>
Noncurrent liabilities:						
Advances from other funds	4,042	-	913	-	4,955	-
Deferred revenue	-	86	5,328	94	5,508	-
Deposits	226	-	-	4	230	94
Compensated absences	3,697	946	-	51	4,694	-
Estimated claims	-	-	-	-	-	24,792
Noncurrent portion of long-term liabilities	644	-	-	1,677	2,321	-
Total noncurrent liabilities	<u>8,609</u>	<u>1,032</u>	<u>6,241</u>	<u>1,826</u>	<u>17,708</u>	<u>24,886</u>
Total liabilities	<u>34,150</u>	<u>12,070</u>	<u>17,583</u>	<u>2,124</u>	<u>65,927</u>	<u>27,715</u>
<b><u>NET ASSETS</u></b>						
Invested in capital assets, net of related debt	20,948	2,818	9,132	20,914	53,812	5,330
Restricted	-	-	3,731	-	3,731	-
Unrestricted	<u>(10,050)</u>	<u>(1,091)</u>	<u>197</u>	<u>2,004</u>	<u>(8,940)</u>	<u>(1,184)</u>
Total net assets	<u>10,898</u>	<u>1,727</u>	<u>13,060</u>	<u>22,918</u>	<u>48,603</u>	<u>4,146</u>
Total liabilities and net assets	<u>\$ 45,048</u>	<u>\$ 13,797</u>	<u>\$ 30,643</u>	<u>\$ 25,042</u>	<u>\$ 114,530</u>	<u>\$ 31,861</u>

The notes to the financial statements are an integral part of this statement.

**County of San Mateo**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities
	San Mateo County General Hospital	Community Health Clinics	Housing Authority	Other Enterprise Funds		Internal Service Funds
<b>Operating Revenues:</b>						
Charges for services	\$ 97,363	\$ 78,612	\$ -	\$ 996	\$ 176,971	\$ 50,813
Less:						
Contractual allowances	(18,450)	(29,785)	-	-	(48,235)	-
Charity allowance and policy discount	(10,198)	(28,760)	-	-	(38,958)	-
Net charges for services	68,715	20,067	-	996	89,778	50,813
Rent and concessions	2	-	1,140	1,576	2,718	-
Miscellaneous	221	74	456	97	848	1,971
Total operating revenues	<u>68,938</u>	<u>20,141</u>	<u>1,596</u>	<u>2,669</u>	<u>93,344</u>	<u>52,784</u>
<b>Operating Expenses:</b>						
Profession, nursing and ancillary services	69,806	-	-	-	69,806	-
Emergency and clinic	3,797	41,002	-	-	44,799	-
General and administrative	23,479	14	4,415	2,316	30,224	8,981
Support services	9,404	-	-	-	9,404	-
Geropsychiatric program	618	-	-	-	618	-
Rehabilitation program	4,533	-	-	-	4,533	-
Benefits and claims	-	-	-	-	-	18,491
Insurance premiums	-	-	-	-	-	29,131
Depreciation and amortization	963	93	439	463	1,958	1,876
Bad debts	1,210	2,492	-	-	3,702	-
Housing assistance payments	-	-	29,090	-	29,090	-
Total operating expenses	<u>113,810</u>	<u>43,601</u>	<u>33,944</u>	<u>2,779</u>	<u>194,134</u>	<u>58,479</u>
Operating loss	<u>(44,872)</u>	<u>(23,460)</u>	<u>(32,348)</u>	<u>(110)</u>	<u>(100,790)</u>	<u>(5,695)</u>
<b>Nonoperating revenues (expenses):</b>						
State and federal grants	31,968	19,223	31,539	474	83,204	-
Loss from disposal of capital assets	(573)	(7)	-	-	(580)	(16)
Interest and investment income	82	-	649	116	847	724
Interest expense	(144)	(2)	(108)	(51)	(305)	(3)
Total nonoperating revenues (expenses)	<u>31,333</u>	<u>19,214</u>	<u>32,080</u>	<u>539</u>	<u>83,166</u>	<u>705</u>
Net income (loss) before contributions and transfers	<u>(13,539)</u>	<u>(4,246)</u>	<u>(268)</u>	<u>429</u>	<u>(17,624)</u>	<u>(4,990)</u>
Capital contributions	-	-	-	147	147	-
Transfers in	13,298	4,246	-	-	17,544	65
Transfers out	(9,087)	(915)	-	(14)	(10,016)	-
<b>Change in net assets</b>	<u>(9,328)</u>	<u>(915)</u>	<u>(268)</u>	<u>562</u>	<u>(9,949)</u>	<u>(4,925)</u>
Net assets - beginning, as previously reported	14,485	46	4,992	22,356	41,879	3,893
Prior period adjustment	5,741	2,596	8,336	-	16,673	5,178
Net assets - beginning, as restated	<u>20,226</u>	<u>2,642</u>	<u>13,328</u>	<u>22,356</u>	<u>58,552</u>	<u>9,071</u>
Net assets - ending	<u>\$ 10,898</u>	<u>\$ 1,727</u>	<u>\$ 13,060</u>	<u>\$ 22,918</u>	<u>48,603</u>	<u>\$ 4,146</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(1,070)</u>	
					<u>\$ 47,533</u>	

The notes to the 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, 2001**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental
	San Mateo	Community	Other			Internal
	County Hospital	Health Clinics	Housing Authority	Enterprise Funds	Total	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts from customers	\$65,122	\$ 17,898	\$ 1,401	\$ 2,768	\$ 87,189	\$ -
Cash receipts from interfund services provided	-	-	-	-	-	52,844
Cash paid to suppliers for goods and services	(63,980)	(16,362)	(32,069)	(1,294)	(113,705)	(33,447)
Cash paid to employees for services	(44,712)	(19,216)	(2,143)	(811)	(66,882)	(2,421)
Cash paid for interfund services used	(2,591)	(4,556)	-	(116)	(7,263)	-
Cash paid for judgments and claims	-	-	-	-	-	(11,069)
Net cash provided by (used in) operating activities	(46,161)	(22,236)	(32,811)	547	(100,661)	5,907
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers received	13,298	4,246	-	-	17,544	65
Transfers paid	(9,087)	(915)	-	(14)	(10,016)	-
Due from other funds	(2,679)	(624)	-	-	(3,303)	-
Due to other funds	8,623	908	-	(1)	9,530	-
Advances from other funds	1,542	-	-	-	1,542	-
State and federal grant receipts	35,061	18,695	42,120	491	96,367	-
Net cash provided by noncapital financing activities	46,758	22,310	42,120	476	111,664	65
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from long-term borrowings	-	-	-	183	183	-
Acquisition and construction of fixed assets	(915)	(33)	(1,335)	(253)	(2,536)	(2,044)
Principal paid on long-term debt	(904)	(36)	(131)	(144)	(1,215)	-
Interest paid on long-term debt	(144)	(2)	(24)	(51)	(221)	(3)
Net cash used in capital and related financing activities	(1,963)	(71)	(1,490)	(265)	(3,789)	(2,047)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and investment income received	59	-	1,084	119	1,262	785
Net cash provided by investing activities	59	-	1,084	119	1,262	785
Net increase (decrease) in cash and cash equivalents	(1,307)	3	8,903	877	8,476	4,710
Total cash and cash equivalents, beginning of the year, as previously reported	3	-	10,114	1,423	11,540	21,317
Prior period adjustment	5,741	-	-	-	5,741	-
Total cash and cash equivalents, beginning of the year, as restated	5,744	-	10,114	1,423	17,281	21,317
Total cash and cash equivalents, end of the year	\$ 4,437	\$ 3	\$ 19,017	\$ 2,300	\$ 25,757	\$ 26,027

The notes to the financial statements are an integral part of this statement.

(Continued)

**County of San Mateo**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental
	San Mateo	Community	Other		Total	Internal
	County	Health	Housing	Enterprise		Service
	Hospital	Clinics	Authority	Funds		Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating loss	\$ (44,872)	\$ (23,460)	\$ (32,348)	\$ (110)	\$ (100,790)	\$ (5,695)
Adjustments to reconcile operating loss to cash flows from operating activities:						
Depreciation	963	93	439	463	1,958	1,876
Decrease (increase) in:						
Accounts receivable	(2,342)	657	27	5	(1,653)	(179)
Other receivable	(420)	(433)	-	-	(853)	78
Due from other funds	-	-	-	-	-	135
Deposits	116	-	-	-	116	-
Inventories	(41)	-	-	-	(41)	10
Other assets	47	8	354	-	409	-
Increase (decrease) in:						
Accounts payable	(960)	839	(125)	5	(241)	2,398
Accrued salaries and benefits	214	35	39	54	342	(3)
Accrued liabilities	-	-	(359)	-	(359)	(2)
Due to other funds	-	-	-	-	-	(159)
Due to other governmental agencies	979	-	(838)	36	177	-
Deferred revenue	-	25	-	94	119	-
Deposits	155	-	-	-	155	26
Estimated claims	-	-	-	-	-	7,422
Net cash provided by (used in) operating activities	<u>\$ (46,161)</u>	<u>\$ (22,236)</u>	<u>\$ (32,811)</u>	<u>\$ 547</u>	<u>\$ (100,661)</u>	<u>\$ 5,907</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital assets contributed from other funds	\$ -	\$ -	\$ -	\$ 147	\$ 147	\$ -
Fixed assets acquired under capital leases	1,287	-	-	-	1,287	-
Total noncash capital and related financing activities	<u>\$ 1,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 1,434</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**County of San Mateo**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2001**  
**(Dollars in Thousands)**

	SamCERA Pension Trust	Investment Trust	Agency	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 12,488	\$ 1,097,561	\$ 121,602	\$ 1,231,651
Receivables (net):				
Accounts	-	-	11,162	11,162
Interest	2,686	6,903	1,030	10,619
Taxes	-	-	145,220	145,220
Advances	-	-	1	1
Other	1	-	95	96
Contributions	1,077	-	-	1,077
Due from other funds	1	1,857	3,694	5,552
Due from other governmental agencies	-	10	3,461	3,471
Prepaid expense	92	-	-	92
Investments:				
Fixed income securities:				
Domestic	423,374	-	-	423,374
Equities:				
Domestic	610,468	-	-	610,468
International	163,504	-	-	163,504
Real estate	104,486	-	-	104,486
Deposits	-	13	4	17
Other assets	-	83	39,750	39,833
Fixed assets, net of accumulated depreciation of \$169	18	-	-	18
Total assets	<u>1,318,195</u>	<u>1,106,427</u>	<u>326,019</u>	<u>2,750,641</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	2,022	741	1,154	3,917
Accrued salaries and benefits	15	-	1,550	1,565
Accrued liabilities	775	-	127	902
Due to other funds	4	8	6,116	6,128
Due to other governmental agencies	-	-	398	398
Notes payable	7,409	-	-	7,409
Advances from other funds	-	-	70	70
Deposits	-	-	133	133
Other liabilities	-	92	-	92
Fiduciary liabilities	-	-	316,471	316,471
Total liabilities	<u>10,225</u>	<u>841</u>	<u>\$ 326,019</u>	<u>337,085</u>
<b><u>NET ASSETS</u></b>				
Net assets held in trust for investment pool participants/pension benefits	<u>\$ 1,307,970</u>	<u>\$ 1,105,586</u>		<u>\$ 2,413,556</u>

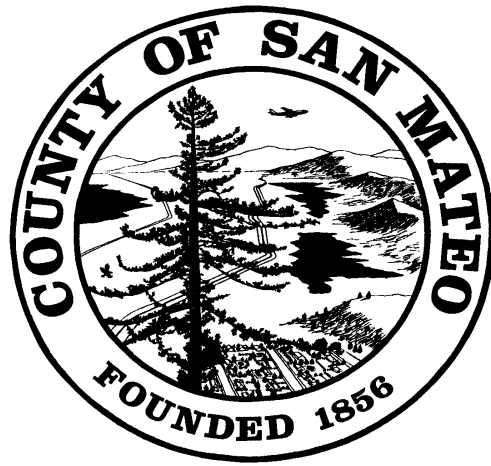
The notes to the financial statements are an integral part of this statement.



**County of San Mateo**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	SamCERA Pension Trust	Investment Trust	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>ADDITIONS:</u></b>			
Contributions:			
Employer contributions	\$ 39,482	\$ -	\$ 39,482
Plan member contributions	15,287	-	15,287
Contributions to investment pool	-	2,344,635	2,344,635
Total contributions	<u>54,769</u>	<u>2,344,635</u>	<u>2,399,404</u>
Net investment income:			
Net appreciation (depreciation) in fair value of investments	(85,606)	73	(85,533)
Interest income	13,944	17,188	31,132
Dividend income	942	-	942
Real estate income	8,171	-	8,171
Investment expense	(3,161)	-	(3,161)
Net investment income (loss)	<u>(65,710)</u>	<u>17,261</u>	<u>(48,449)</u>
Total additions	<u>(10,941)</u>	<u>2,361,896</u>	<u>2,350,955</u>
<b><u>DEDUCTIONS:</u></b>			
Service retirement benefits	51,137	-	51,137
Disability retirement benefits	6,098	-	6,098
Death and other benefits	1,571	-	1,571
Distributions from investment pool	-	2,104,537	2,104,537
Withdrawals of members' contributions	1,846	-	1,846
Administrative expenses	1,493	-	1,493
Total deductions	<u>62,145</u>	<u>2,104,537</u>	<u>2,166,682</u>
Change in net assets	(73,086)	257,359	184,273
Net assets - beginning, as previously reported	1,381,056	856,796	2,237,852
Prior period adjustment	-	(8,569)	(8,569)
Net assets - beginning, as restated	<u>1,381,056</u>	<u>848,227</u>	<u>2,229,283</u>
Net assets - ending	<u>\$ 1,307,970</u>	<u>\$ 1,105,586</u>	<u>\$ 2,413,556</u>

The notes to the financial statements are an integral part of this statement.



## **Basic Financial Statements -**

Notes to the Financial Statements

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### NOTE 1 – THE FINANCIAL REPORTING ENTITY

##### (a) Reporting Entity

The County of San Mateo, California (the “County”), a Charter County established by an Act of the State Legislature in 1856, is a legal subdivision of the State of California charged with governmental powers. The County’s powers are exercised through a Board of Supervisors (the “Board”), which as the governing body of the County. The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, 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 governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the County’s ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County’s operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County’s basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County’s Board. The financial statements of the individual component units may be obtained by writing to the County of San Mateo, Controller’s Office, 555 County Center, 4<sup>th</sup> Floor, Redwood City, California 94063.

##### (b) Blended Component Units

###### *San Mateo Joint Powers Financing Authority*

The San Mateo County Joint Powers Financing Authority (the JPFA) is a joint exercise of powers agency organized under the laws of the State of California by agreements dated May 15, 1993 and entered into by the County. The JPFA was formed to assist the County in the financing of public capital improvements.

The JPFA and the County have a financial and operational relationship which requires that the JPFA’s financial statements be blended into the County’s financial statements. The JPFA’s policies are determined by a five-member board appointed by the San Mateo County Board of Supervisors.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

The JPFA has no employees and all staff work is done by the County staff or by consultants to the JPFA.

#### *San Mateo County Employees' Retirement Association*

The financial activities of the County's pension plan are reported in the pension trust fund of the basic financial statements because it is an integral part of the County. The San Mateo County Employees' Retirement Association (SamCERA) is controlled by a nine-member Retirement Board. The Board is comprised of the County Treasurer, two general members of SamCERA, four members appointed by the County Board of Supervisors, one member from SamCERA's safety membership and one member from the retired membership. The Retirement Board has administrative and fiduciary responsibility over the pension plan. The Retirement Board utilizes third-party banking institutions as custodians over the plan's assets.

#### *Housing Authority*

The Housing Authority was established pursuant to the State Health and Safety Code by the County Board to provide 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's Board. Decisions affecting the Housing Authority are addressed as part of the overall Board's meeting. As such, the activities of the Housing Authority are blended with the primary government.

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

The IHSS Public Authority maintains a registry and referral system to assist consumers in finding qualified in-home supportive services personnel as well as training of and support for providers and recipients of IHSS. The IHSS Authority is primarily funded by state grants. The County's Board is the governing body for the IHSS Public Authority. Therefore, this entity has been blended with the primary government.

#### **(c) Discretely Presented Component Unit**

##### *Children and Families First Commission*

The Children and Families First Commission (the Commission) was established in March 1999 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the Commission's

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements (Continued) For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

governing body is not substantially the same as that of the County and the Commission does not provide services entirely or almost entirely to the County.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Implementation of Governmental Accounting Standards Board Statements

###### *GASB Statements No. 33 and 36*

In December 1998 and in April 2000, the Governmental Accounting Standards Board (GASB) issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB Statement No. 33*, respectively. These statements establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources (for example, most taxes, grants, and private donations). The County has adopted these statements for its fiscal year ended June 30, 2001 financial statements as discussed in Note 3.

###### *GASB Statement Nos. 34 and 37*

In June 1999 and in June 2001, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments – Omnibus*, respectively. These statements provide for the most significant change in financial reporting in over twenty years and are scheduled for a phased implementation (based on size of government) starting with fiscal years ending 2002. As a part of these statements, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation to the fiscal year ending 2006 for June 2002 infrastructure assets.

###### *GASB Statement No. 38*

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This statement modifies, adds and deletes various note disclosure requirements. Those requirements address revenue recognition policies, actions taken in response to legal violations, debt service requirements, variable-rate debt, receivable and payable balances, interfund transfers and balances, and short-term debt.

###### *GASB Interpretation No. 6*

In March 2000, the GASB issued Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This interpretation clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The County has elected to early implement GASB Statement Nos. 34, 37 and 38 and Interpretation No. 6 and these statements are presented according to those requirements as discussed in Note 3.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### **(b) Basis of Presentation**

##### *Government - wide Financial Statements*

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. 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 instead as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

##### *Fund Financial Statements*

The fund financial statements provide information about the County's funds, including 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, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

- The *Joint Powers Financing Authority (the JPFA)* accounts for the lease revenue bonds issued to generate the funds needed to finance public capital improvements and the base rental payments paid by the County pursuant to Master Facility Leases.

The County reports the following major enterprise funds:

- The *San Mateo County General Hospital (the Hospital)* accounts for hospital operations involved in providing health services to County residents. Revenues are principally fees for patient services, payments from Federal and State programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues and subsidies from the general fund.
- The *Community Health Clinics* account for the operations of the community oriented primary care and specialty services to meet the health care needs of the County through convenient, integrated and accessible community based clinics.
- The *Housing Authority* accounts for the Housing Authority programs primarily funded by contributions from the U.S. Department of Housing and Urban Development. The operations of this fund were previously reported in a special revenue fund. However, the County reclassified the presentation of this fund pursuant to Department of Housing and Urban Development requirements. See Note 3 for further discussion.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance and tower road construction provided to other departments, or to other governments and self-insurance programs - worker's compensation, long-term disability, employee benefits, and personal injury and property damage, on a cost-reimbursement basis.
- The *Pension Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the SamCERA.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with 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. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.

#### (c) **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements (Continued)

#### For the Fiscal Year Ended June 30, 2001

(Dollars in Thousands)

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is 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 grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

#### **(d) Non-Current Governmental Assets/Liabilities**

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

#### **(e) 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.

#### **(f) Investments**

Statutes authorize the County to invest its surplus cash (excluding SamCERA) in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment



**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

Fund. Gains and losses are recognized upon sale based upon the specific identification method. Investments in nonparticipating interest-earning investment contracts (guaranteed investment contracts) are reported at cost, commercial paper which have maturities of less than 90 days are reported at amortized cost and all other investments are reported at fair value. The fair values of investments are obtained by using quotations obtained from independent published sources.

SamCERA investments are made subject to guidelines of the investment plan approved by the Retirement Board (see Note 12). Interest earned in agency funds where there is no interest earnings requirements has been assigned to the general fund per County policy.

**(g) Mortgage Receivables**

General Fund expenditures relating to long-term mortgage receivables arising from mortgage subsidy programs are charged to operations upon funding. Mortgage receivables are recorded with an offset to deferred revenue.

**(h) Inventories**

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or market for proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation.

Inventory recorded in the proprietary funds mainly consists of maintenance supplies as well as pharmaceutical supplies maintained by the Hospital. Inventory is expensed as the supplies are consumed.

**(i) Property Tax Levy, Collection and Maximum Rates**

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. The total 2000-01 net assessed valuation of the County was \$74,242,592 (after deducting \$5,877,705 for the redevelopment tax allocation increment).

The County assesses properties and bills for and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due dates (delinquent as of)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements (Continued) For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. Property taxes are recorded as deferred revenue when not received within sixty days after fiscal year-end.

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, penalties and interest collected on delinquent secured taxes are required to be held in trust 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 is legally required to maintain a minimum balance of one percent of the annual taxes levied on properties participating in the Teeter Plan, or approximately \$8.4 million at June 30, 2001. The balance in the TLRF was \$30.9 million at June 30, 2001. The County’s 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. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in an agency fund.

#### **(j) Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements, proprietary funds and the pension trust fund.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	20 to 50 years
Structures and improvements	50 years
Equipment	3 to 15 years

The County has five networks of infrastructure assets – road, water/sewer, lighting, drainage, and flood control. Information is not available for the flood control network. The County plans to report its flood control network under the depreciation approach by fiscal year ending June 30, 2002.

The maintained pavement subsystem of the road network is reported using the modified approach. The County commissioned a physical assessment of the maintained pavement subsystem condition

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

in fiscal year 2000-2001. This condition assessment will be performed every three years. The County's maintained pavement subsystem has been classified as roads with or without formal structural sections. Each road segment is rated and given a Pavement Condition Index (PCI) value from zero to one hundred (0 – 100), where PCIs of 40 or better are assigned to be a "Fair" or better condition and roads with PCIs of 55 or better to be in a "Good" or better condition. The County's policy relative to maintaining the maintained pavement subsystem is to keep a minimum PCI level for roads with no defined structural section at 40 and for roads with a defined structural section at 55. Accordingly, 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 are capitalized. Upon sale or retirement of fixed 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.

#### **(k) Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from County employment. The County is not obligated to pay for unused sick leave if an employee terminates prior to retirement. However, upon retirement, the County will convert each day of accrued sick leave to one month of post retirement medical or dental premium coverage for management employees and not to exceed \$125 to \$250 per month for non-management employee depending on the employee's memorandum of understanding.

The County accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentation.

#### **(l) Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). 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 a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. 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.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### (m) Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### NOTE 3 – RESTATEMENTS OF FUND EQUITY/NET ASSETS

##### Implementation of GASB Statements No. 33 and No. 36

The beginning fund equity of the General Fund and other nonmajor governmental funds has been restated to reflect the cumulative effect of the implementation of GASB Statements No. 33 and 36. The impact of these statements was to decrease the General Fund (\$18,801) and the Emergency Medical Services Special Revenue Fund (\$5) beginning fund balance for revenues considered unavailable and to increase the Road Special Revenue Fund (\$1,193) and the San Mateo County ½ Cent Transportation Special Revenue Fund (\$333) to recognize revenue from highway users tax and the transportation add-on sales tax.

##### Capital Assets Reclassifications

During the current year, the County evaluated its capital asset balances previously recorded in the general fixed assets account group and moved selected structures and improvements and equipment to certain proprietary funds in order to more appropriately reflect the nature of the activity. Accordingly, the beginning net assets of the Community Health Clinics Enterprise Fund (\$2,596), the Housing Authority Enterprise Fund (\$8,181), the Tower Road Construction Internal Service Fund (\$5,137) and the Fleet Maintenance Internal Service Fund (\$41) have been restated.

##### Fund Reclassifications

*Agency Funds* – During the current year, the County evaluated its agency funds and moved funds that did not meet the definition of an agency fund under GASB Statement No. 34 to the general fund, nonmajor governmental funds, hospital enterprise fund and the other investment trust fund. Previously the County had included the following activities in agency funds: proposition 172 receipts from the State and distributed to County departments, fines from the highway littering program, SB855 Medi-Cal disproportionate share hospital program receipts and interest on maturing securities received.

*Housing Authority* – In the prior year, the activities of the Housing Authority had been reported in a Special Revenue Fund. Beginning in fiscal year 2000-2001, the County reported the activities of the Housing Authority as an Enterprise Fund in accordance with guidelines prescribed by the U.S. Department of Housing and Urban Development.

*Expendable Trust Funds* – GASB Statement No. 34 eliminated the use of expendable trust funds to account for assets held by the County in a trustee capacity for other governmental units. The law library is independent of the County and governed by the board of law library trustees. As such, the

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

law library has been reclassified to an agency fund. The parks funds reported donations and fees collected from developers for park and recreational purposes which have been reclassified to the general fund.

**Other Restatements**

*General Fund Advance to Tax Loss Reserve Fund* - The County decreased the General Fund advance to the Tax Loss Reserve Agency Fund in the amount of \$6,423 to reflect repayments on this advance made in prior fiscal years.

*Housing Authority* - The Housing Authority reclassified the HUD Guaranteed Debt in the amount of \$3,429 to comply with HUD requirements and made other corrections of errors in the amount of \$36.

**Restatement of Equity**

The impact of the restatements on the fund balances/net assets as previously reported is presented below:

	General Fund	Nonmajor Governmental Funds	Hospital Enterprise Fund	Community Health Clinics Enterprise Fund	Housing Authority Enterprise Fund	Internal Service Funds	Investment Trust Funds	Expendable Trust Funds
Fund balance/net assets, June 30, 2000, as previously reported	\$139,150	\$82,303	\$14,485	\$46	\$4,992	\$3,893	\$856,796	\$ 1,086
Restatements:								
Implementation of GASB Nos. 33 and 36	(18,801)	1,521	-	-	-	-	-	-
Capital asset reclassification	-	-	-	2,596	8,181	5,178	-	-
Fund reclassifications:								
Agency Funds	36,603	84	5,741	-	-	-	(8,569)	(1,086)
Housing Authority	-	(4,992)	-	-	(3,310)	-	-	-
Other restatements	(6,423)	-	-	-	3,465	-	-	-
Total restatements	11,379	(3,387)	5,741	2,596	8,336	5,178	(8,569)	(1,086)
Fund balance/net assets, July 1, 2000, as restated	\$150,529	\$78,916	\$20,226	\$2,642	\$13,328	\$9,071	\$848,227	\$ -

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Equity**

The Worker’s Compensation Insurance and Personal Injury and Property Damage Internal Service Funds have net assets deficits of \$9,861 and \$587 respectively. These deficits are expected to be eliminated in future years through rate increases.

**NOTE 5 - CASH AND INVESTMENTS**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Cash and investments managed separately from the investment pool include those of the JPFA and SamCERA. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund. The State of California requires certain special districts and other governmental entities to maintain surplus cash with the County Treasurer. Separately issued financial statements of the external investment pool and auditor’s report, dated September 14, 2001, can be obtained from the County Treasurer's Office, at 555 County Center 1<sup>st</sup> Floor, Redwood City, CA 94063.

Total County cash and investments are as follows:

<i>Cash:</i>	
Cash on hand	\$ 198
Deposit overdrafts	(14,668)
Total cash overdrafts	<u>(14,470)</u>
<i>Investments:</i>	
in Treasurer’s pool	1,565,672
with Fiscal Agents	43,601
in Pension portfolio	1,312,252
with others external to the Treasurer’s pool	4,277
Total investments	<u>2,925,802</u>
Total cash and investments	<u><u>\$2,911,332</u></u>

Total County cash and investments are reported as follows:

Primary government	\$ 354,857
Component unit	22,992
Pension trust	1,314,320
Investment trust fund	1,097,561
Agency funds	121,602
Total cash and investments	<u><u>\$2,911,332</u></u>

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* **For the Fiscal Year Ended June 30, 2001** (Dollars in Thousands)

#### **Deposits**

At year-end, the carrying amount of the County's cash deposits was (\$14,668) and the bank balance was \$30,791. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$200 was covered by federal depository insurance and \$30,591 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institutions' trust department or agent in the County's name.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$100 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of those deposits. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the County's name.

#### **Investments**

The County's investments are categorized below to give an indication of the level of custodial credit risk assumed by the County as of June 30, 2001. Category (1) includes investments that are insured or registered, or held by the County or its agent in the County's name. Category (2) includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's name. The County does not have any category 3 investments at June 30, 2001.

At June 30, 2001, investments included the following:

	Category		Fair
	1	2	Value
<b>Categorized investments:</b>			
U.S. Government securities	\$ 176,390	\$ -	\$ 176,390
U.S. Government agency securities	556,549	-	556,549
Corporate bonds	277,936	-	277,936
Commercial paper	526,797	-	526,797
Repurchase agreements	-	938	938
Total categorized investments	\$1,537,672	\$938	1,538,610
<b>Uncategorized investments:</b>			
Investment in the State of California			
Local Agency Investment Fund			32,277
Guaranteed investment contracts			35,332
Mutual funds:			
Money market			17,752
Domestic equities			610,468
International equities			163,504
Domestic fixed income			423,373
Real estate			104,486
Total investments			\$2,925,802

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**

**For the Fiscal Year Ended June 30, 2001**

(Dollars in Thousands)

At June 30, 2001, the County's investment position in the State of California Local Agency Investment Fund (LAIF) is \$32,277, which approximates fair value and is the same as the value of the pool shares. The total amount invested by all public agencies in LAIF at that day is \$54,496,268, managed by the State Treasurer. Of that amount, 95.49 percent is invested in non-derivative financial products and 4.51 percent in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. Information is not available on whether the mutual funds in which the County has invested, used, held or wrote derivative products during the year ended June 30, 2001.

**NOTE 6 - RECEIVABLES**

Receivables at year-end of the County's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

<b>Receivables – Governmental Activities:</b>	General Fund	JPFA	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Taxes	\$ 23,908	\$ -	\$1,940	\$ -	\$ 25,848
Accounts	116,019	-	1,184	179	117,382
Interest	1,675	941	601	157	3,374
Advances	45	-	22	-	67
Other	19,429	-	526	-	19,955
Gross receivables	161,076	941	4,273	336	166,626
Less: allowance for uncollectibles	(109,348)	-	(291)	-	(109,639)
Total receivables	\$51,728	\$941	\$3,982	\$336	\$ 56,987

<b>Receivables – Business-type Activities:</b>	Hospital	Community Health Clinics	Housing Authority	Nonmajor Funds	Total Business-type Activities
Accounts	\$16,666	\$13,727	\$257	\$418	\$31,068
Interest	24	-	140	14	178
Other	420	433	-	-	853
Gross receivables	17,110	14,160	397	432	32,099
Less: allowance for uncollectibles	(9,234)	(8,603)	(20)	(400)	(18,257)
Total receivables	\$ 7,876	\$ 5,557	\$377	\$ 32	\$13,842

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.



**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

At June 30, 2001, the various components of deferred revenue and unearned revenue reported were as follows:

	Unavailable	Unearned
<b>Governmental activities:</b>		
General fund:		
Mortgage receivables	\$ -	\$ 34,946
Property taxes receivable	5,382	14,814
Grant drawdowns prior to meeting all eligibility requirements	-	14,060
Due from governmental agencies	35,282	-
Other delinquent receivables	623	-
Other receivables and advances	4,024	-
Nonmajor funds:		
Delinquent property taxes receivable	504	1,149
Delinquent property assessment tax receivable	-	162
Due from governmental agencies	114	-
Other receivables and advances	-	1,333
Total governmental activities	\$45,929	\$66,464
<b>Business-type activities:</b>		
Grant drawdowns prior to meeting all eligibility requirements		
Community Health Clinics	\$ -	\$86
Housing Authority	-	5,328
Nonmajor enterprise funds	-	94
Total business-type activities	\$ -	\$5,508

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**NOTE 7 – INTERFUND TRANSACTIONS**

**Interfund Receivables/ Payables**

The composition of interfund balances as of June 30, 2001 are as follows:

***Due to/from other funds:***

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$1,494
	Hospital	20,210
	Community Health Clinics	7,478
	Nonmajor Enterprise Funds	5
	Internal Service Funds	219
	Agency Funds	702
		30,108
Nonmajor Governmental Funds	General Fund	249
	Nonmajor Governmental Funds	175
	Hospital	1
	Agency Funds	8
		433
Hospital	General Fund	1,863
	Community Health Clinics	1,577
	Agency Funds	176
		3,616
Community Health Clinics	General Fund	85
	Hospital	917
		1,002
Internal Service Funds	General Fund	70
	Nonmajor Governmental Funds	1
	Hospital	2
	Community Health Clinics	3
	Nonmajor Enterprise Funds	1
	Agency Funds	2
		79
Pension Trust Fund	Agency Fund	1
Investment Trust Funds	Nonmajor Governmental Funds	1
	Agency Funds	1,856
		1,857
Agency Funds	General Fund	294
	Nonmajor Governmental Funds	1
	Hospital	12
	Community Health Clinics	3
	Internal Service Funds	1
	Pension Trust Fund	4
	Investment Trust Funds	8
	Agency Funds	3,371
		3,694
Total		\$40,790

The balance of \$20,210 due to the General Fund from Hospital and the \$7,478 due to the General Fund from Community Health Clinics resulted from loans made to cover operating cash deficits.

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 88
	Hospital	4,042
	Housing Authority	913
	Agency Fund	70
		<u>5,113</u>
Nonmajor Governmental Funds	General Fund	3,000
	Nonmajor Governmental Funds	220
		<u>3,220</u>
Total		<u>\$8,333</u>

The balance of \$4,042 advanced to Hospital from the General Fund resulted from loans made to provide financing resources for a health information technology project. The balance of \$3,000 advanced to the General Fund from the Accumulated Capital Outlay capital project fund resulted from a loan made to provide working capital for an Employee Housing Opportunity Program.

All remaining interfund balances 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.

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

**(a) Between Governmental and Business-type Activities:**

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
<b><i>Operating or debt subsidy:</i></b>			
General Fund	Hospital	\$12,591	Provide subsidy to cover portion of Hospital's operation.
	Community Health Clinics	4,246	Provide subsidy to cover portion of Community Health Clinics' operation.
		<u>16,837</u>	
Nonmajor Governmental Funds	Hospital	207	Provide subsidy to transportation related expenditures.
Hospital	Nonmajor Governmental Funds	9,087	Transfer funds for scheduled lease payments.
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	14	Transfer funds to pay for capital outlay.
Community Health Clinics	Nonmajor Governmental Funds	415	Transfer funds for scheduled lease payments.
Total		<u>\$26,560</u>	

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**(b) Between Funds within the Governmental or Business-type Activities <sup>(1)</sup>:**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
<b><i>Operating or debt subsidy:</i></b>			
General Fund	Nonmajor Governmental Funds	\$2,550	Provide subsidy to In-Home Supportive Services.
	Nonmajor Governmental Funds	8,376	Transfer funds to pay for capital outlay.
	Nonmajor Governmental Funds	6,799	Transfer funds to cover debt service payments.
	Internal Service Funds	65	Provide funds to clean up graffiti affixed to Fleet Maintenance's facilities
		<u>17,790</u>	
Nonmajor Governmental Funds	General Fund	306	Provide subsidy to transportation related expenditures.
	General Fund	82	Transfer funds to finance emergency responses.
	JPFA	18,185	Provide resources for debt service payment.
	Nonmajor Governmental Funds	847	Transfer funds to pay for capital outlay.
	Nonmajor Governmental Funds	2,614	Transfer funds to cover debt services payments.
		<u>22,034</u>	
Community Health Clinics	Hospital	500	Provide subsidy to cover operating expenses.
<b><i>Revenue Allocation:</i></b>			
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>1,170</u>	Realign revenues to other funds.
Total		<u>\$41,494</u>	

<sup>(1)</sup>These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type activities.

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2001 was as follows:

	Balance July 1, 2000 (as restated)	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2001
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$54,724	\$202	(\$289)	(\$147)	\$54,490
Infrastructure – maintained road subsystem	57,766	4,996	-	-	62,762
Construction in progress	31,386	20,668	-	(541)	51,513
Total capital assets, not being depreciated	143,876	25,866	(289)	(688)	168,765
<i>Capital assets, being depreciated:</i>					
Infrastructure	34,259	27	-	-	34,286
Structures and improvements	313,245	1,201	-	255	314,701
Equipment	48,502	6,408	(1,622)	254	53,542
Total capital assets, being depreciated	396,006	7,636	(1,622)	509	402,529
Less accumulated depreciation for:					
Infrastructure	(12,346)	(721)	-	-	(13,067)
Structures and improvements	(33,706)	(5,337)	-	-	(39,043)
Equipment	(35,216)	(4,574)	575	727	(38,488)
Total accumulated depreciation	(81,268)	(10,632)	575	727	(90,598)
Total capital assets, being depreciated, net	314,738	(2,996)	(1,047)	1,236	311,931
Governmental activities capital assets, net	<u>\$458,614</u>	<u>\$22,870</u>	<u>(\$1,336)</u>	<u>\$548</u>	<u>\$480,696</u>
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$10,000	\$ -	\$ -	\$147	\$10,147
Construction in progress	9,154	1,694	-	(4,420)	6,428
Total capital assets, not being depreciated	19,154	1,694	-	(4,273)	16,575
<i>Capital assets, being depreciated:</i>					
Structures and improvements	58,675	11	-	4,420	63,106
Equipment	11,891	2,441	(1,834)	-	12,498
Total capital assets, being depreciated	70,566	2,452	(1,834)	4,420	75,604
Less accumulated depreciation for:					
Structures and improvements	(28,784)	(1,300)	-	(170)	(30,254)
Equipment	(5,565)	(658)	1,227	(70)	(5,066)
Total accumulated depreciation	(34,349)	(1,958)	1,227	(240)	(35,320)
Total capital assets, being depreciated, net	36,217	494	(607)	4,180	40,284
Business-type activities capital assets, net	<u>\$55,371</u>	<u>\$2,188</u>	<u>(\$607)</u>	<u>(\$93)</u>	<u>\$56,859</u>

At July 1, 2000, the County made the following restatements to capital assets:

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

<u>Governmental activities capital assets</u> as reported in the general fixed assets account group – June 30, 2000	\$484,381
Reclassify Housing Authority capital assets to a business-type activity (Note 3)	(21,071)
Record infrastructure assets, net of accumulated depreciation of \$12,346	78,222
Record accumulated depreciation for structures and improvements and equipment	(70,863)
Remove equipment below the increased capitalization threshold of \$5,000	(740)
Removal of fiduciary funds' capital assets and write-off structures, improvements and equipment	(8,304)
Reclassify structures and improvements to business-type activity	(3,011)
Governmental activities capital assets as restated – July 1, 2000	\$458,614
<u>Business-type activities capital assets</u> as reported in the enterprise funds – June 30, 2000	\$44,594
Reclassify Housing Authority capital assets from a governmental activity, net of accumulated depreciation of \$12,890	8,181
Reclassify governmental capital assets to business-type assets, net of accumulated depreciation of \$414 (Note 3)	2,596
Business-type activities capital assets as restated – July 1, 2000	\$55,371

### Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$3,583
Public protection	2,452
Health and sanitation	1,223
Public assistance	1,026
Recreation	472
Depreciation on capital assets held by the County's internal service fund is charged to the various functions based on their usage of the assets.	1,876
Total depreciation expense – governmental functions	\$10,632

Depreciation expense was charged to the business-type functions as follows:

Hospital	\$963
Community Health Clinics	93
Housing Authority	439
Airports	234
Coyote Point Marina	229
Total depreciation expense – business-type functions	\$1,958

### Construction in Progress

Construction in progress for governmental activities represents work being performed on the Sheriff's forensic laboratory, County-wide radio upgrade project, Youth Crisis House – Cordilleras, Hall of Justice Board Chambers and County Counsel improvement project, and a number of smaller projects. Construction in progress in the business-type activities represents the San Mateo County General Hospital Fund remodeling project.

### Capital Projects Commitments

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements (Continued) For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

The Health Center construction which has a total budget of \$123,563 and four phases initially was scheduled to be completed by June 30, 2001. Phase 4 of the project has been broken down into two parts, the new diagnostic and treatment building and the remodel of the old San Mateo County General Hospital. The remodel portion of the project is now called phase 5. Phase 4 was completed in August 2001. Phase 5 will be completed in August 2002. The commitments outstanding as of June 30, 2001 total \$6,690.

The Colma Creek Flood Control Project was 60% complete as of June 30, 2001 and will be done in six phases as follows: South Airport, Old Mission Road, Mainline Railroad Bridge, El Camino Real Box, San Mateo Avenue Bridge and Open Channel Over Bart. Management believes this project will be completed during the year ended June 30, 2003. The commitments outstanding as of June 30, 2001 total \$6,922.

#### NOTE 9 – LEASES

##### Operating Leases

The County is committed under various noncancelable operating leases, primarily for office buildings and equipment (principally in the General Fund). Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2002	\$ 6,677
2003	6,373
2004	5,805
2005	5,719
2006	5,026
2007-2012	<u>13,123</u>
Total	<u>\$42,723</u>

Rent expenditures were \$6,479 for the year ended June 30, 2001. The County also leases various properties to business and other governmental agencies. Operating lease revenues from such rentals were \$588 for the year ended June 30, 2001.

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2001
<b>Governmental fund activities:</b>		
Information services and telephone system	6.17%	\$913
<b>Business-type activities:</b>		
Medical equipment	4.69% -7.05%	1,251
Total Capital Lease Obligations		\$2,164

Equipment and related accumulated amortization under capital lease are as follows:

	Governmental Activities	Business-type Activities
Equipment	\$2,483	\$2,282
Less: accumulated amortization	(993)	(251)
Net value	\$1,490	\$2,031

As of June 30, 2001, capital lease annual amortization are as follows:

Year ending June 30:	Governmental Activities	Business-type Activities
2002	\$695	\$656
2003	127	569
2004	127	88
2005	11	28
2006	-	-
Total requirements	960	1,341
Less interest	(47)	(90)
Present value of remaining payments	\$913	\$1,251



**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

**NOTE 10 - LONG-TERM DEBT**

Long-term liabilities at June 30, 2001 consisted of the following:

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2001
<b>Governmental activities</b>					
<b>Lease Revenue Bonds:</b>					
<b>1993 Issue</b> (defeased 1991 Certificates of Participation and financed costs of the parking garage and jail):					
Serial Current Interest Bonds	7/1/01 – 7/1/21	4.3 - 6.5%	\$310 - \$4,675	\$19,050	\$17,285
Term Current Interest Bonds	7/1/13 – 7/1/21	5 – 6.5%	\$7,235 - \$14,560	40,640	40,640
Serial Capital Appreciation Bonds (net of future capital appreciation of \$850)	7/1/01 – 7/1/05	4.55 – 5.2%	\$1,825	12,775	8,275
1993 Issue				<u>72,465</u>	<u>66,200</u>
<b>1994 Issue – Satellite Clinic</b> (financed a portion of the costs of constructing and equipping North County Satellite Clinic and adjacent parking structure):					
Serial Current Interest Bonds	9/1/01 – 9/1/03	4.7 – 4.9%	\$150 - \$200	7,345	520
Serial Capital Appreciation Bonds (net of future capital appreciation of \$7,866)	9/1/17 – 9/1/26	5.9 – 6%	\$925 – \$1,305	11,025	3,159
1994 Issue – Satellite Clinic				<u>18,370</u>	<u>3,679</u>
<b>1994 Issue – Health Center</b> (financed a portion of the costs of constructing and remodeling multiple buildings and replacement of infrastructure of the Health Center):					
Serial Current Interest Bonds	7/15/01 – 7/15/04	5.3 – 5.5%	\$1,885 - \$2,215	84,355	8,195
<b>1995 Issue</b> (financed the acquisition, construction and remodeling of various County buildings and facilities and the acquisition of various equipment):					
Serial Current Interest Bonds	7/15/01 – 7/15/05	5 – 5.4%	\$295 - \$395	19,225	1,705
<b>1997 Issue</b> (financed the costs of constructing, furnishing and equipment an office building and partially defeased the 1994 Issue):					
Serial Current Interest Bonds	7/15/01 – 7/15/14	4 – 5.5%	\$425 - \$4,720	40,010	39,290
Term Current Interest Bonds	7/15/18 – 7/15/32	5 – 5.12%	\$3,045 – \$8,440	23,195	23,195
1997 Issue				<u>63,205</u>	<u>62,485</u>
<b>1999 Issue</b> (financed a portion of the costs of completing the Health Center and partially defeased the 1993, 1994 and 1995 Issues):					
Serial Current Interest Bonds	7/15/01 - 7/15/19	3.25 – 5%	\$365 – \$6,570	47,565	46,525
Term Current Interest Bonds	7/15/23	4.75%	n/a	29,250	29,250
Term Current Interest Bonds	7/15/29	5%	n/a	36,325	36,325
1999 Issue				<u>113,140</u>	<u>112,100</u>
Total Lease Revenue Bonds				<u>370,760</u>	<u>254,364</u>

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

Type of indebtedness	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2001
<b>Certificates of Participation:</b>					
<b>1997 Issue</b> (financed the design, construction and installation of storm water and flood control improvements located in the Colma Creek Flood Control Zone):					
Serial Current Interest Bonds	8/1/01 – 8/1/12	4.2 – 5%	\$310 – \$345	3,635	\$3,240
Term Current Interest Bonds	8/1/17- 8/1/32	5.125 – 5.25%	\$2,000 – \$10,145	12,145	12,145
1997 Issue				15,780	15,385
<b>Notes Payable:</b>					
<b>California Energy Commission:</b>					
Energy Partnership Program Loan	6/22 and 12/22 through 2008	3.3712%	Approx. \$36	487	195
<b>County Service Area 11:</b>					
State of California Department of Water Resources	4/1 and 10/1 through 2012	3.3712%	Approx. \$22	296	194
Notes payable				783	389
Total governmental activities				\$387,323	\$270,138
<b>Business-type activities</b>					
<b>Notes Payable:</b>					
Department of Boatings and Waterways	8/1/01 – 8/1/29	4.5%	\$45 – \$195	\$3,090	\$1,796
<b>Pension Trust Fund</b>					
<b>Mortgage Notes Payable:</b>					
Note payable on a real estate investment with principal payment due at maturity of \$6,458	Monthly to 9/1/2006	7.87%	\$732 – \$6,458	\$8,000	\$7,409

The following is a summary of long-term liabilities transactions for the year ended June 30, 2001:

	Balance July 1, 2000 (as restated)	Additions/ Accretions	Retirements	Balance June 30, 2001	Amounts Due Within One Year
<b>Governmental activities:</b>					
Lease Revenue Bonds	\$259,134	\$ 575	(\$ 5,345)	\$254,364	\$5,335
Certificates of Participation	15,585	-	(200)	15,385	210
Notes Payable	869	-	(480)	389	36
Capital Lease Obligations (Note 9)	1,544	-	(631)	913	661
Estimated Claims (Note 13)	17,370	18,491	(11,069)	24,792	-
State Settlement (Note 16)	-	569	-	569	114
Compensated Absences	33,009	-	(3,752)	29,257	-
Total governmental activities - long-term liabilities	\$327,511	\$19,635	(\$21,477)	\$325,669	\$6,356
<b>Business-type activities:</b>					
Notes Payable	\$1,888	\$ 183	(\$ 275)	\$1,796	\$119
Capital Lease Obligations (Note 9)	904	1,287	(940)	1,251	607
Compensated Absences	4,974	-	(282)	4,694	-
Total business-type activities - long-term liabilities	\$7,766	\$1,470	(\$1,497)	\$7,741	\$726
<b>Pension Trust Fund:</b>					
Notes Payable	\$7,552	\$ -	(\$143)	\$7,409	\$155

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)*

#### For the Fiscal Year Ended June 30, 2001

(Dollars in Thousands)

Lease revenue bonds as of July 1, 2000 have been increased by \$3,574 to include accumulated accretion of the County's capital appreciation bonds. In addition, the Housing Authority's notes payable in the amount of \$131 has been reclassified as of July 1, 2000 from a governmental activity to a business-type activity and \$3,430 has been removed pursuant to HUD requirements. (See Note 3).

As of June 30, 2001, annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30:	Lease Revenue Bonds		Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$5,335	\$12,736	\$210	\$770	\$36	\$15
2003	5,525	12,587	220	761	38	14
2004	5,640	12,440	230	752	39	12
2005	5,860	12,284	240	742	41	10
2006	6,100	14,474	250	731	43	9
2007-2011	30,080	70,627	1,420	3,468	162	19
2012-2016	52,590	61,916	1,810	3,071	30	1
2017-2021	57,720	32,533	2,330	2,535	-	-
2022-2026	60,440	20,076	3,000	1,854	-	-
2027-2031	29,720	11,881	3,850	981	-	-
2032-2033	4,070	4,282	1,825	94	-	-
Total requirements	263,080	265,836	15,385	15,759	389	80
Less unaccreted principal	(8,716)	-	-	-	-	-
Total	<u>\$254,364</u>	<u>\$265,836</u>	<u>\$15,385</u>	<u>\$15,759</u>	<u>\$389</u>	<u>\$80</u>

Interest payments and lease revenue bonds and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2001, annual debt service requirements of business-type activities and pension trust fund to maturity are as follows:

Year ending June 30:	Business-type Activities Notes Payable		Pension Trust Fund Notes Payable	
	Principal	Interest	Principal	Interest
2002	\$ 119	\$ 88	\$155	\$578
2003	122	76	168	565
2004	128	70	182	551
2005	134	64	197	536
2006	140	58	212	521
2007-2011	411	221	6,495	127
2012-2016	194	147	-	-
2017-2021	160	111	-	-
2022-2026	199	71	-	-
2027-2031	189	22	-	-
Total requirements	<u>\$1,796</u>	<u>\$928</u>	<u>\$7,409</u>	<u>\$2,878</u>

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### **Advance Refundings**

##### *(a) 1991 Certificate of Participation*

On September 1, 1993, the JPFA issued \$68,138 lease revenue bonds to advance refund \$63,540 Series of 1991 Certificates of Participation, which are owed by the Hall of Justice and Records Corporation (HJR Corporation). Along with the defeasance of debt, the HJR Corporation transferred to the JPFA all assets and its rights to a master facility lease for the use and occupancy of the jail and parking garage. At June 30, 2001, the outstanding certificates of participation were \$65,970 and are considered defeased.

##### *(b) 1994 Series A Lease Revenue Bonds*

On December 1, 1997, the JPFA issued \$63,205 lease revenue bonds of which \$34,525 was to advance refund \$31,180 of 1994 Series A lease revenue bonds and the remaining funds were used for acquisition and construction of certain projects. At June 30, 2001, the outstanding lease revenue bonds were \$31,180 and are considered defeased.

##### *(c) 1993, 1994 and 1995 Lease Revenue Bonds*

On January 1, 1999, the JPFA issued \$113,140 lease revenue bonds to advance refund \$6,425 of 1993 Series lease revenue bonds, \$80,290 of 1994 Series A lease revenue bonds, and \$14,820 of 1995 Series A lease revenue bonds and to provide \$1,968 of additional financing for the costs of completing the San Mateo County Health Center. At June 30, 2001, the outstanding lease revenue bonds were \$61,535 and are considered defeased.

#### **Legal Debt Limit**

The County's legal annual debt service limit (as defined by Ordinance No. 3773) as of June 30, 2001, is approximately \$31,769. The County's legal debt service limit is 4% of the average annual County budget for the current and the preceding four fiscal years covering non-voter approved County debt obligations.

#### **Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2001 does not expect to incur a liability.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements (Continued) For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### Special Assessment Debt

Special assessment district transactions are recorded in the Agency Fund as the County acts as an agent for the property owners in collecting assessments bonds and forwarding the collections to the bondholders. However, the County is not obligated in any manner for repayment of these special assessments. As of June 30, 2001, such special assessment debt outstanding totaled \$6.

#### NOTE 11 – NET ASSETS/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2001, reservations of fund balance are described below:

- *Advances to other funds* - to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.
- *Debt service* - to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Encumbrances* - to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Inventories* - to reflect the portion of assets which do not represent available spendable resources.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. Fund balance designations include:

- *Future Housing Programs* - to reflect management's intent to expend certain funds to support the County's future housing programs and related needs.
- *Capital projects* - to reflect management's intent to expend certain funds solely for planned capital projects.

#### **NOTE 12 – EMPLOYEES' RETIREMENT PLAN AND POST RETIREMENT BENEFITS**

##### **San Mateo Employees' Retirement Association**

###### *(a) Plan Description*

The following description of the San Mateo County Employees' Retirement Association (SamCERA) is provided for general information purposes. SamCERA is governed by the County Employees Retirement Law of 1937 (1937 Act). Members should refer to this Law for more complete information. SamCERA is controlled by the Retirement Board.

###### *(b) General*

SamCERA is a cost-sharing multiple-employer defined benefit pension plan established to provide retirement, disability and death benefits for substantially all employees of the County and the San Mateo County Mosquito Abatement District. The total number of plan participants at June 30, 2001 is 8,715 of which 8,696 are County employees and 19 are Mosquito Abatement District employees. SamCERA issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to the County of San Mateo, Controller's Office, 555 County Center, 4<sup>th</sup> Floor, Redwood City, California 94063.

###### *(c) Benefit Provisions*

SamCERA provides basic retirement, disability and death benefits based on specified percentages of monthly final average salary and, in addition, provides annual cost-of-living adjustments for members of Plans One, Two, and Four. The benefits of Plan Three are reduced by a percentage of social security benefits received by the member. The Retirement Board under the authority of the 1937 Act establishes all benefit provisions. For a description of the four plans, see the SamCERA's separate report.

**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

*(d) Summary of Significant Accounting Policies*

*Basis of Accounting:* SamCERA uses the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized when they are incurred. Contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the plan.

*Cash and Investments:* The Retirement Board has exclusive control of the investments of SamCERA. Statutes authorize the Retirement Board to invest, or delegate the authority to invest, the assets of SamCERA in any investment allowed by statutes and considered prudent in the informed opinion of the Retirement Board. Investments are reported at fair value. By contract, once every three years an independent appraisal to determine the fair value of the real estate assets is obtained. In the interim years, real estate assets are reported at fair value utilizing an income approach to valuation. 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.

*Funding Policy:* The contribution requirements of the plan members and their employers are established and may be amended pursuant to the 1937 Act. The plan members contribution rates are determined by age at entry into SamCERA and are based on a percentage of regular salary. The average employee contribution rate for the fiscal year was 6.03%. The employers are required to contribute at an actuarially determined rate; the current annual required contribution is \$39,482.

*Annual Pension Cost:* For the 2001 fiscal year, the County's annual pension cost was equal to the County's required contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the Entry Age Normal Method. The actuarial assumptions included (a) 8.25% investment rate of return, (b) 2.00% projected salary increase attributed to merit and longevity, and (c) 4.25% projected salary increase attributed to inflation. The actuarial value of SamCERA's assets was determined using techniques that smooth the effects of short-term volatility in the market value over a 5-year period. SamCERA's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over the period ending December 31, 2011.

*(e) Three-year Trend Information*

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/1999	\$41,289	100.0%	-
6/30/2000	38,695	100.0%	-
6/30/2001	39,482	100.0%	-

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### Post Retirement Benefits

The County provides health care, vision, and dental benefits to retired employees who have accumulated sick leave hours upon retirement. To be eligible for these benefits, the employees other than public safety employees must retire from the County on or after attaining age 50 with at least ten years of service. The public safety employees are eligible to receive the post retirement health care benefits after attaining age 40. The County pays the post retirement healthcare benefits based on the Memorandum of Understanding with the various unions that the County's employees are enrolled. The County pays a portion of the annuitants healthcare premium based on the number of sick leave hours the annuitant has accrued. The County converts eight hours of accrued sick leave time to one month of post retirement medical or dental premium coverage for management employees and not to exceed \$125 to \$250 per month for non-management employee depending on the employee's memorandum of understanding. As of June 30, 2001, approximately 1,798 retirees were receiving post retirement health care, vision, and dental benefits from the County. The cost of these benefits in fiscal year 2000-2001 was approximately \$1,642.

#### NOTE 13 – RISK MANAGEMENT

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County currently reports its risk management activities in its Worker's Compensation Insurance, Long-Term Disability Trust, Employee Benefits Trust, and Personal Injury and Property Damage Funds (Internal Service Funds).

The County is self-insured for most insurable risk, 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 \$517,117.
- Earthquake in excess of \$100 per incident, but limited to a maximum of \$20,000 in aggregate.
- Flood damage in excess of 5% of the replacement value per location, but limited to a maximum of \$20,000 in aggregate.
- General liability in excess of \$250 per incident, but limited to a maximum of \$40,000.
- Worker's Compensation in excess of \$350 per incident, but limited to statutory limit.
- Auto liability in excess of \$250 per incident, but limited to \$40,000.
- Malpractice is limited to \$10 per incident, but limited to a maximum of \$1,000 per case and \$3,000 in aggregate.

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 fiscal year 2000-2001.



**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

All of the County funds participate in the insurance program and make payments to the corresponding Internal Service Fund based on estimated costs to pay prior and current years' claims. The estimated claims liability of \$24,792 reported in the Internal Service Funds at June 30, 2001 is based on requirements of GASB Statements No. 10 and 30. These statements require a liability for claims to be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Of the \$24,792 estimated claims liability at June 30, 2001, approximately \$22,322 was actuarially determined. The actuarially determined liability relates to worker's compensation, general liability and auto liability and it includes allocated expenses and a provision for incurred but not reported claims. The actuarially determined liability at June 30, 2001 is discounted at 5.5%. The estimated claims liability relating to the other areas of self-insurance were based upon historical trends and actual activity occurring in the first three months subsequent to June 30, 2001.

Changes to the internal service funds' claims liability amount for fiscal years 1999-2000 and 2000-2001 are as follows:

Liability at June 30, 1999	\$16,932
Current year claims and changes in estimates	11,260
Claim payments	<u>(10,822)</u>
Liability at June 30, 2000	17,370
Current year claims and changes in estimates	18,491
Claim payments	<u>(11,069)</u>
Liability at June 30, 2001	<u><u>\$24,792</u></u>

**NOTE 14 – RELATED PARTY TRANSACTIONS**

The following schedule presents significant transactions between the primary government and its component units during the year ended June 30, 2001:

<u>Component Unit</u>	<u>Significant Transactions</u>
JPFA	Lease revenue transfers in the amount of \$18,185
Housing Authority	Loans from County in the amount of \$913
Children and Families First Commission	Administrative support for the Commission of \$60

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**Grants**

The County recognizes as revenue, grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. 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, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### **Medicare and Medi-Cal Reimbursements**

The Hospital and the Health Clinic provide health care services primarily to County residents. Net patient charges for service revenue is reported at estimated net realizable amounts from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Revenue from Medicare and Medi-Cal programs accounted for approximately 15.3 percent and 50.2 percent, respectively, of the Hospital's net patient charges for services revenue and approximately 11.2 percent and 66.3 percent, respectively, of the Health Clinic's net patient charges for services revenue for the year ended June 30, 2001. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The fiscal year 2001 net patient charges for service revenue increased by approximately \$63 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews and investigations.

#### **San Mateo County Employees' Retirement**

On August 14, 1997, the Supreme Court of the State of California issued a decision in the matter of Ventura County Deputy Sheriff's Association vs. Board of Retirement. This decision held that compensation paid in cash, even if not earned by all employees in the same grade or class, must be included in compensation earnable and final compensation on which an employee's pension is based. This California Supreme Court decision became final on October 1, 1997.

However, the Ventura decision provided ambiguous guidance on two critical issues: terminal pay and retroactivity. These issues will be decided as a result of the current lawsuit, Teamsters Local 856 vs. Board of Retirement, San Mateo County. Similar litigation is pending in other counties. During fiscal year 2000, there was a decision at the trial court level to dismiss the terminal pay issue.

SamCERA retained an actuary to estimate the financial impact of a range of possible decisions in the Teamsters Local 856 litigation. In the event that the Teamsters Local 856 prevails, SamCERA estimates that the possible increase in the unfunded actuarial accrued liability ranges between \$180.3 million and \$264.9 million. A reserve of \$34,768 has been established for this possible liability.

## COUNTY OF SAN MATEO

### Notes to the Basic Financial Statements *(Continued)* For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)

#### **Pending Litigation**

The County is also 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, such loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued; however, County management and Counsel estimate such loss to total \$7,800. The outcome of the remaining claims cannot be determined at this time.

#### **NOTE 16 – SPECIAL ITEMS**

##### **Sale and Transfer of Land**

During the year, there were three transactions involving the sale and transfer of land. One sale involves excess land from the Westborough Boulevard project that is no longer needed for public use by the County. The carrying amount of this land was \$33 and the proceeds of sale amounted to \$1,000. The second sale involves an unused portion of Wunderlich Park. The proceeds of the sale amounted to \$500 and the land was initially purchased by the County for \$256. The third transaction involves a transfer of land belonging to the Half Moon Bay Airport from the general fund with a carrying amount of \$147.

##### **Settlement Agreement Between the County and the Controller of the State of California**

As a result of a 1998 audit of state remittances as required under subsections (b)(3) and (b)(4) of Penal Code §1463.001, the State Controller determined that the County underremitted \$569 for the 75% share of base fines resulting from County arrests for fiscal years 1994-1995 through 1996-1997. On June 29, 2001, both parties agreed to resolve and settle the issue through a settlement agreement whereby the County agreed to pay the State Controller the sum of \$569 in five equal annual installments of \$114 each without penalty or interest, commencing on April 30, 2002 and finishing on April 30, 2006. The loss of \$569 was recognized in the County's financial statements during the fiscal year with an equal offsetting amount in the liability account.

#### **NOTE 17 – SUBSEQUENT EVENTS**

##### **East Palo Alto County Waterworks District**

On June 19, 2001, the Board approved a resolution to dissolve the East Palo County Waterworks District (EPACWD) upon the recordation with the County Recorder of the certificate of completion of conditions set by the Local Agency Formation Commission (LAFCO). Ownership of the EPACWD was officially transferred to the cities of East Palo Alto and Menlo Park on July 3, 2001, with a 90% and 10% distribution of fund balance, respectively, as approved by LAFCO. A full distribution of the adjusted fund balance as of August 21, 2001 was made, with \$1,635 paid to the City of East Palo Alto and \$181 going to the City of Menlo Park. Another disbursement in the amount of \$21 representing the balance of escrow deposits in a separate Trust Fund that pertains to various projects in the City of East Palo Alto was also remitted to the City of East Palo Alto. Additional distributions will be made in October 2001, after interest earnings for the quarter ending

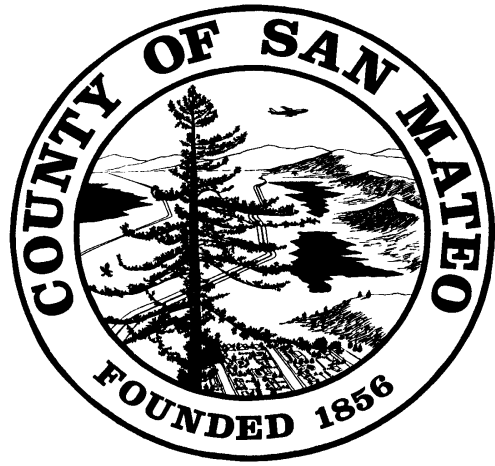
**COUNTY OF SAN MATEO**

**Notes to the Basic Financial Statements** *(Continued)*  
**For the Fiscal Year Ended June 30, 2001**  
(Dollars in Thousands)

September 30, 2001 are posted including other receipts, if any. Capital assets belonging to the EPACWD with a net book value of \$1,598 at June 30, 2001 will be distributed by June 30, 2002.

**Lease Revenue Bonds**

On September 6, 2001, the JPFA issued Lease Revenue Bonds, Series 2001 A and B, in the amount of \$24,370,000 and \$8,520,000, respectively. Interest rates range from 2.7% to 4.75% for the Series A bonds and 2.4% to 5% for the Series B bonds. The Series A and B bonds mature on July 15, 2031. The bonds were issued to acquire a microwave and law enforcement mutual aid communication system, to acquire a sheriff's radio system and to acquire and construct a forensics laboratory and coroner's office.



## **Required Supplementary Information**

**COUNTY OF SAN MATEO**

**Required Supplementary Information  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**

The County manages its maintained road subsystem of the road network using the Metropolitan Transportation Commission's Pavement Management Program (Program) and accounts for them using the modified approach. The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0 – 100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCI's of 40 or better to be in a "Fair" or better condition and roads with PCI's of 55 or better to be in a "Good" or better condition. It is the County's policy to maintain at least 75 percent of its primary maintained road system at a PCI of 55 or better and the secondary maintained road system at a PCI of 40 or better. Condition assessments are determined every three years.

As of June 30, 2001, the County's maintained road subsystem was rated at a PCI index of 67 on the average for primary roads and 33 for secondary roads with the detail condition as follows:

PCI Condition Rating	Primary		Secondary	
	Number of Miles	Percent	Number of Miles	Percent
Excellent to Good	103.4	68.2%	26.8	16.7%
Fair	25.6	16.9%	7.3	4.5%
Poor to substandard	22.6	14.9%	127.0	78.8%
Total	<u>151.6</u>	<u>100.0%</u>	<u>161.1</u>	<u>100.0%</u>

The majority of roads falling below the established rating is in the secondary road category (PCI 40) and can be directly related to the fact that these roads were acquired by the County with inadequate or no structural sections. Many of these roads are in rural settings with minimal traffic and will require large expenditures and many years to attain the adopted ratings.

For the year ended June 30, 2001, actual maintenance and preservation costs of \$7,786 were less than estimated by \$5,964 or 43 percent. The variance is due mostly to road projects that were not completed at the end of fiscal year 2000/2001 and; therefore, includes portion of the estimated costs that will be expended during the subsequent fiscal year.

**SCHEDULE OF FUNDING PROGRESS**

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/1999	\$1,109,417	\$1,205,554	\$96,137	92.03%	\$238,864	40.25%
6/30/2000	1,271,565	1,291,694	20,129	98.44%	259,075	7.77%
6/30/2001	1,384,586	1,404,060	19,474	98.62%	274,318	7.10%

## COUNTY OF SAN MATEO

### GENERAL FUND

The *general fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the general fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary Balances, July 1</b>	\$ 116,750	\$ 135,515	\$ 135,515	-
<b>Resources (inflows):</b>				
Taxes	130,811	130,811	141,650	10,839
Licenses, permits and franchises	3,651	3,651	3,820	169
Use of money and property	10,109	10,109	15,500	5,391
Intergovernmental revenues	344,868	353,628	321,874	(31,754)
Charges for services	60,206	61,243	69,942	8,699
Fines, forfeitures and penalties	7,684	7,739	7,205	(534)
Interfund revenue	38,876	39,290	-	(39,290)
Miscellaneous revenue	12,247	12,634	17,887	5,253
Other financing sources	104	377	388	11
Amounts available for appropriation	<u>608,556</u>	<u>619,482</u>	<u>578,266</u>	<u>(41,216)</u>
<b>Charges to appropriations (outflows):</b>				
<b><u>General Government</u></b>				
Board of Supervisors - District 1				
Salaries and benefits	266	280	280	-
Services and supplies	33	42	42	-
Other charges	29	29	27	2
Total Board of Supervisors - District 1	<u>328</u>	<u>351</u>	<u>349</u>	<u>2</u>
Board of Supervisors - District 2				
Salaries and benefits	261	261	259	2
Services and supplies	33	33	28	5
Other charges	29	29	29	-
Contingencies	15	15	-	15
Total Board of Supervisors - District 2	<u>338</u>	<u>338</u>	<u>316</u>	<u>22</u>
Board of Supervisors - District 3				
Salaries and benefits	259	259	239	20
Services and supplies	31	27	26	1
Other charges	33	33	33	-
Fixed assets	-	4	4	-
Contingencies	8	8	-	8
Total Board of Supervisors - District 3	<u>331</u>	<u>331</u>	<u>302</u>	<u>29</u>
Board of Supervisors - District 4				
Salaries and benefits	266	266	265	1
Services and supplies	43	47	38	9
Other charges	29	31	30	1
Contingencies	15	10	-	10
Total Board of Supervisors - District 4	<u>353</u>	<u>354</u>	<u>333</u>	<u>21</u>

(Continued)



**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Board of Supervisors - District 5				
Salaries and benefits	270	270	264	6
Services and supplies	33	33	27	6
Other charges	29	29	29	-
Contingencies	12	12	-	12
Total Board of Supervisors District 5	<u>344</u>	<u>344</u>	<u>320</u>	<u>24</u>
County Manager's Office				
Salaries and benefits	1,954	1,954	1,918	36
Services and supplies	339	336	284	52
Other charges	179	179	169	10
Fixed assets	-	4	-	4
Intrafund transfers	(65)	(65)	(88)	23
Contingencies	92	92	-	92
Total County Manager's Office	<u>2,499</u>	<u>2,500</u>	<u>2,283</u>	<u>217</u>
Real Property Services				
Salaries and benefits	291	291	278	13
Services and supplies	158	158	54	104
Other charges	6,103	6,603	5,618	985
Intrafund transfers	(5,911)	(6,411)	(6,170)	(241)
Total Real Property Services	<u>641</u>	<u>641</u>	<u>(220)</u>	<u>861</u>
Facilities Planning & Development				
Salaries and benefits	217	217	187	30
Services and supplies	31	31	19	12
Other charges	33	33	29	4
Total Facilities Planning & Development	<u>281</u>	<u>281</u>	<u>235</u>	<u>46</u>
Appraisal Services				
Salaries and benefits	4,748	4,592	4,458	134
Services and supplies	233	410	407	3
Other charges	990	1,062	1,053	9
Contingencies	1,122	1,122	-	1,122
Total Appraisal Services	<u>7,093</u>	<u>7,186</u>	<u>5,918</u>	<u>1,268</u>
Elections				
Salaries and benefits	1,090	1,384	1,375	9
Services and supplies	1,410	1,578	1,563	15
Other charges	186	209	206	3
Fixed assets	-	55	42	13
Other financing uses	-	200	200	-
Contingencies	683	613	-	613
Total Elections	<u>3,369</u>	<u>4,039</u>	<u>3,386</u>	<u>653</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Business Operations</b>				
Salaries and benefits	3,890	3,803	3,549	254
Services and supplies	3,767	4,021	2,525	1,496
Other charges	548	548	544	4
Fixed assets	184	221	170	51
Contingencies	432	432	-	432
<b>Total Business Operations</b>	<u>8,821</u>	<u>9,025</u>	<u>6,788</u>	<u>2,237</u>
<b>Controller's Office</b>				
Salaries and benefits	3,873	3,576	3,567	9
Services and supplies	845	916	279	637
Other charges	1,018	1,321	1,301	20
Fixed assets	148	156	7	149
Intrafund transfers	(392)	(392)	(395)	3
Contingencies	1,108	1,044	-	1,044
<b>Total Controller's Office</b>	<u>6,600</u>	<u>6,621</u>	<u>4,759</u>	<u>1,862</u>
<b>Tax Collector/Treasurer</b>				
Salaries and benefits	2,115	2,102	2,083	19
Services and supplies	1,301	1,371	923	448
Other charges	671	688	686	2
Fixed assets	274	200	109	91
Contingencies	619	619	-	619
<b>Total Tax Collector/Treasurer</b>	<u>4,980</u>	<u>4,980</u>	<u>3,801</u>	<u>1,179</u>
<b>County Counsel</b>				
Salaries and benefits	4,046	4,182	4,121	61
Services and supplies	680	544	434	110
Other charges	303	303	236	67
Intrafund transfers	(920)	(920)	(783)	(137)
Contingencies	275	275	-	275
<b>Total County Counsel</b>	<u>4,384</u>	<u>4,384</u>	<u>4,008</u>	<u>376</u>
<b>Employee Public Service - Administration</b>				
Salaries and benefits	826	912	701	211
Services and supplies	609	556	175	381
Other charges	422	422	298	124
Fixed assets	38	29	29	-
Other financing uses	22	22	22	-
Intrafund transfers	(456)	(480)	(404)	(76)
Contingencies	275	275	-	275
<b>Total Employee Public Service - Administration</b>	<u>1,736</u>	<u>1,736</u>	<u>821</u>	<u>915</u>
<b>Human Resources</b>				
Salaries and benefits	3,717	3,770	2,110	1,660
Services and supplies	1,404	1,415	793	622
Other charges	194	209	126	83
Intrafund transfers	(235)	(270)	(195)	(75)
<b>Total Human Resources</b>	<u>5,080</u>	<u>5,124</u>	<u>2,834</u>	<u>2,290</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Public Safety/Communication</b>				
Salaries and benefits	4,768	4,811	4,811	-
Services and supplies	391	444	372	72
Other charges	334	319	302	17
Fixed assets	36	31	20	11
Other financing uses	45	45	45	-
Intrafund transfers	(56)	(56)	(70)	14
<b>Total Public Safety/Communication</b>	<u>5,518</u>	<u>5,594</u>	<u>5,480</u>	<u>114</u>
<b>Revenue Services Division</b>				
Salaries and benefits	1,984	2,024	1,282	742
Services and supplies	701	745	404	341
Other charges	160	188	115	73
Other financing uses	22	22	22	-
Intrafund transfers	(1,740)	(1,740)	(1,882)	142
<b>Total Revenue Services Division</b>	<u>1,127</u>	<u>1,239</u>	<u>(59)</u>	<u>1,298</u>
<b>Purchasing Division</b>				
Salaries and benefits	600	600	546	54
Services and supplies	28	28	21	7
Other charges	94	94	42	52
Other financing uses	6	6	6	-
Intrafund transfers	(55)	(55)	(64)	9
<b>Total Purchasing Division</b>	<u>673</u>	<u>673</u>	<u>551</u>	<u>122</u>
<b>Mail Delivery Division</b>				
Salaries and benefits	343	349	348	1
Services and supplies	101	93	90	3
Other charges	55	57	51	6
Intrafund transfers	(68)	(68)	(63)	(5)
<b>Total Mail Delivery Division</b>	<u>431</u>	<u>431</u>	<u>426</u>	<u>5</u>
<b>Copy Center</b>				
Salaries and benefits	127	139	92	47
Services and supplies	297	377	215	162
Other charges	22	26	15	11
Other financing uses	3	3	3	-
Intrafund transfers	(397)	(423)	(606)	183
<b>Total Copy Center</b>	<u>52</u>	<u>122</u>	<u>(281)</u>	<u>403</u>
<b>Information Services</b>				
Salaries and benefits	12,527	12,455	8,867	3,588
Services and supplies	13,956	14,873	10,288	4,585
Other charges	962	1,540	1,226	314
Fixed assets	1,778	2,699	2,283	416
Other financing uses	440	440	116	324
Intrafund transfers	(25,932)	(27,711)	(22,470)	(5,241)
Contingencies	1,806	1,241	-	1,241
<b>Total Information Services</b>	<u>5,537</u>	<u>5,537</u>	<u>310</u>	<u>5,227</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Memberships & Contribution				
Services and supplies	318	318	257	61
Other charges	1,833	1,833	1,250	583
Contingencies	10	10	-	10
Total Memberships & Contribution	<u>2,161</u>	<u>2,161</u>	<u>1,507</u>	<u>654</u>
Message Switch				
Services and supplies	286	285	102	183
Other charges	182	182	182	-
Intrafund transfers	(80)	(80)	(80)	-
Contingencies	315	315	-	315
Total Message Switch	<u>703</u>	<u>702</u>	<u>204</u>	<u>498</u>
Public Works - Management Services				
Salaries and benefits	3,466	3,466	212	3,254
Services and supplies	1,486	1,523	-	1,523
Other charges	1,155	1,198	223	975
Fixed assets	146	146	73	73
Other financing uses	145	65	65	-
Intrafund transfers	-	-	(180)	180
Total Public Works - Management Services	<u>6,398</u>	<u>6,398</u>	<u>393</u>	<u>6,005</u>
Public Works - Engineering Services				
Salaries and benefits	4,215	4,215	349	3,866
Services and supplies	286	286	18	268
Other charges	382	382	38	344
Intrafund transfers	(241)	(241)	(267)	26
Total Public Works - Engineering Services	<u>4,642</u>	<u>4,642</u>	<u>138</u>	<u>4,504</u>
Public Works - Building Services				
Salaries and benefits	4,914	4,514	4,393	121
Services and supplies	5,878	6,100	5,203	897
Other charges	1,484	1,484	1,444	40
Other financing uses	2,618	2,796	2,796	-
Intrafund transfers	(13,342)	(13,342)	(12,952)	(390)
Contingencies	66	66	-	66
Total Public Works - Building Services	<u>1,618</u>	<u>1,618</u>	<u>884</u>	<u>734</u>
Food & Nutrition Services				
Salaries and benefits	5,050	5,050	3,700	1,350
Services and supplies	3,842	3,842	3,069	773
Other charges	262	262	191	71
Fixed assets	43	43	21	22
Intrafund transfers	(6,064)	(6,064)	(5,583)	(481)
Total Food & Nutrition Services	<u>3,133</u>	<u>3,133</u>	<u>1,398</u>	<u>1,735</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Non-Departmental Services				
Salaries and benefits	18	18	6	12
Services and supplies	4,996	5,583	810	4,773
Other charges	-	1,237	484	753
Other financing uses	13,164	13,117	8,692	4,425
Intrafund transfers	(396)	(396)	-	(396)
Contingencies	62,722	57,137	-	57,137
Total Non-Departmental Services	<u>80,504</u>	<u>76,696</u>	<u>9,992</u>	<u>66,704</u>
Courts LAN Project				
Services and supplies	1	1	-	1
Fixed assets	1	1	-	1
Total Courts LAN Project	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Total General Government</b>	<u>159,677</u>	<u>157,183</u>	<u>57,176</u>	<u>100,007</u>
<b>Public Protection</b>				
Grand Jury				
Salaries and benefits	45	45	41	4
Services and supplies	194	194	171	23
Other charges	-	-	-	-
Total Grand Jury	<u>239</u>	<u>239</u>	<u>212</u>	<u>27</u>
Criminal Division				
Salaries and benefits	11,896	11,896	11,541	355
Services and supplies	832	832	700	132
Other charges	2,060	1,460	1,348	112
Other financing uses	-	689	612	77
Intrafund transfers	(105)	(105)	(161)	56
Contingencies	1,300	1,300	-	1,300
Total Criminal Division	<u>15,983</u>	<u>16,072</u>	<u>14,040</u>	<u>2,032</u>
Family Support Division				
Salaries and benefits	7,837	7,312	7,089	223
Services and supplies	1,404	1,818	1,254	564
Other charges	1,337	1,448	1,448	-
Fixed assets	40	40	18	22
Total Family Support Division	<u>10,618</u>	<u>10,618</u>	<u>9,809</u>	<u>809</u>
County Support of Courts				
Salaries and benefits	690	690	279	411
Services and supplies	2,002	2,002	1,254	748
Other charges	20,243	20,243	19,778	465
Total Other Support of Courts	<u>22,935</u>	<u>22,935</u>	<u>21,311</u>	<u>1,624</u>
Private Defender Program				
Services and supplies	9,173	9,173	8,651	522
Intrafund transfers	(65)	(65)	(129)	64
Total Private Defender Program	<u>9,108</u>	<u>9,108</u>	<u>8,522</u>	<u>586</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Release on Own Recognizance				
Services and supplies	2,271	2,271	2,134	137
Other charges	77	85	83	2
Total Release on Own Recognizance	<u>2,348</u>	<u>2,356</u>	<u>2,217</u>	<u>139</u>
Sheriff Administration				
Salaries and benefits	11,241	11,575	6,716	4,859
Services and supplies	2,148	1,958	1,478	480
Other charges	1,766	1,712	628	1,084
Fixed assets	18	44	43	1
Other financing uses	71	71	71	-
Intrafund transfers	(115)	(115)	(115)	-
Contingencies	2,040	2,040	-	2,040
Total Sheriff Administration	<u>17,169</u>	<u>17,285</u>	<u>8,821</u>	<u>8,464</u>
Sheriff Operations Division				
Salaries and benefits	15,279	15,425	14,798	627
Services and supplies	1,027	992	957	35
Other charges	2,456	2,500	2,423	77
Fixed assets	23	51	51	-
Other financing uses	1,476	1,476	1,476	-
Intrafund transfers	-	-	(50)	50
Total Sheriff Operations Division	<u>20,261</u>	<u>20,444</u>	<u>19,655</u>	<u>789</u>
Sheriff Detention Division				
Salaries and benefits	20,417	20,772	20,484	288
Services and supplies	1,002	825	710	115
Other charges	7,073	6,925	6,809	116
Total Sheriff Detention Division	<u>28,492</u>	<u>28,522</u>	<u>28,003</u>	<u>519</u>
Sheriff Custody Division				
Salaries and benefits	12,761	13,116	12,973	143
Services and supplies	951	737	558	179
Other charges	2,999	2,826	2,618	208
Fixed assets	258	237	217	20
Intrafund transfers	(70)	(70)	(70)	-
Total Sheriff Custody Division	<u>16,899</u>	<u>16,846</u>	<u>16,296</u>	<u>550</u>
Probation Administration				
Salaries and benefits	1,968	1,830	1,815	15
Services and supplies	789	578	533	45
Other charges	2,030	1,640	1,531	109
Fixed assets	-	50	50	-
Contingencies	1,103	828	-	828
Total Probation Administration	<u>5,890</u>	<u>4,926</u>	<u>3,929</u>	<u>997</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Probation Adult				
Salaries and benefits	9,826	9,656	9,343	313
Services and supplies	616	534	482	52
Other charges	736	748	747	1
Intrafund transfers	66	66	47	19
Total Probation Adult	<u>11,244</u>	<u>11,004</u>	<u>10,619</u>	<u>385</u>
Probation Juvenile				
Salaries and benefits	9,814	9,574	9,448	126
Services and supplies	1,297	1,247	1,177	70
Other charges	1,454	1,704	1,585	119
Intrafund transfers	13	(31)	(33)	2
Total Probation Juvenile	<u>12,578</u>	<u>12,494</u>	<u>12,177</u>	<u>317</u>
Probation Institution				
Salaries and benefits	7,793	9,135	9,135	-
Services and supplies	324	270	250	20
Other charges	2,695	2,639	2,596	43
Fixed assets	19	19	19	-
Other financing uses	-	56	56	-
Total Probation Institution	<u>10,831</u>	<u>12,119</u>	<u>12,056</u>	<u>63</u>
Coroner's Office				
Salaries and benefits	1,194	1,203	1,203	-
Services and supplies	514	505	473	32
Other charges	244	244	224	20
Fixed assets	50	50	49	1
Contingencies	13	13	-	13
Total Coroner's Office	<u>2,015</u>	<u>2,015</u>	<u>1,949</u>	<u>66</u>
Environmental Services Administration				
Salaries and benefits	348	312	239	73
Services and supplies	9	40	35	5
Other charges	13	17	16	1
Intrafund transfers	(43)	(43)	(43)	-
Total Environmental Services Administration	<u>327</u>	<u>326</u>	<u>247</u>	<u>79</u>
Agricultural Commissioner/Sealer				
Salaries and benefits	2,399	2,498	2,245	253
Services and supplies	141	168	124	44
Other charges	358	367	352	15
Contingencies	71	71	-	71
Total Agricultural Commissioner/Sealer	<u>2,969</u>	<u>3,104</u>	<u>2,721</u>	<u>383</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Animal Control</b>				
Salaries and benefits	18	18	5	13
Services and supplies	4,913	4,913	4,884	29
Other charges	16	16	13	3
Other financing uses	227	227	227	-
Intrafund transfers	(30)	(30)	(30)	-
<b>Total Animal Control</b>	<u>5,144</u>	<u>5,144</u>	<u>5,099</u>	<u>45</u>
<b>Local Agency Formation Commission</b>				
Services and supplies	117	117	117	-
Contingencies	30	30	-	30
<b>Total Local Agency Formation Commission</b>	<u>147</u>	<u>147</u>	<u>117</u>	<u>30</u>
<b>Fire Protection</b>				
Services and supplies	4,553	4,552	7	4,545
Other charges	200	201	-	201
Fixed assets	340	285	-	285
Other financing uses	59	114	-	114
<b>Total Fire Protection</b>	<u>5,152</u>	<u>5,152</u>	<u>7</u>	<u>5,145</u>
<b>Planning</b>				
Salaries and benefits	3,613	3,561	3,327	234
Services and supplies	936	1,446	709	737
Other charges	532	567	557	10
Other financing uses	32	32	22	10
Intrafund transfers	(139)	(139)	(143)	4
Contingencies	536	279	-	279
<b>Total Planning</b>	<u>5,510</u>	<u>5,746</u>	<u>4,472</u>	<u>1,274</u>
<b>Total Public Protection</b>	<u>205,859</u>	<u>206,602</u>	<u>182,279</u>	<u>24,323</u>
<b><u>Health and Sanitation</u></b>				
<b>Health Businesses &amp; Administration</b>				
Salaries and benefits	2,989	2,593	1,783	810
Services and supplies	1,786	3,437	1,017	2,420
Other charges	5,624	5,728	3,925	1,803
Intrafund transfers	(4,523)	(5,198)	(5,200)	2
<b>Total Health Businesses &amp; Administration</b>	<u>5,876</u>	<u>6,560</u>	<u>1,525</u>	<u>5,035</u>
<b>Emergency Medical Services</b>				
Salaries and benefits	438	445	443	2
Services and supplies	354	465	398	67
Other charges	32	38	35	3
Other financing uses	134	134	134	-
<b>Total Emergency Medical Services</b>	<u>958</u>	<u>1,082</u>	<u>1,010</u>	<u>72</u>
<b>Hospital &amp; Clinic Subsidy</b>				
Other financing uses	21,064	25,526	25,516	10
<b>Total Hospital &amp; Clinic Subsidy</b>	<u>21,064</u>	<u>25,526</u>	<u>25,516</u>	<u>10</u>

(Continued)



**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
SB 855 Transfer Payment				
Services and supplies	8,671	10,069	10,069	-
Total SB 855 Transfer Payment	<u>8,671</u>	<u>10,069</u>	<u>10,069</u>	<u>-</u>
Environmental Health Services				
Salaries and benefits	5,848	5,796	5,615	181
Services and supplies	2,479	2,462	2,025	437
Other charges	446	446	423	23
Fixed assets	113	182	93	89
Contingencies	502	502	-	502
Total Environmental Health Services	<u>9,388</u>	<u>9,388</u>	<u>8,156</u>	<u>1,232</u>
Mental Health Services				
Salaries and benefits	18,998	19,353	18,875	478
Services and supplies	42,389	43,087	36,082	7,005
Other charges	12,051	12,206	11,797	409
Fixed assets	-	19	16	3
Other financing uses	1,027	1,027	1,011	16
Intrafund transfers	(2,151)	(2,284)	(1,201)	(1,083)
Contingencies	3,838	3,838	-	3,838
Total Mental Health Services	<u>76,152</u>	<u>77,246</u>	<u>66,580</u>	<u>10,666</u>
Public Health Services				
Salaries and benefits	12,010	11,679	10,502	1,177
Services and supplies	3,835	4,930	4,389	541
Other charges	1,045	1,244	914	330
Other financing uses	577	577	572	5
Intrafund transfers	(532)	(559)	(605)	46
Total Public Health Services	<u>16,935</u>	<u>17,871</u>	<u>15,772</u>	<u>2,099</u>
Prenatal-to-Three Initiative				
Salaries and benefits	2,231	2,366	2,036	330
Services and supplies	2,219	2,127	1,319	808
Other charges	169	194	187	7
Other financing uses	13	13	-	13
Intrafund transfers	-	-	(78)	78
Contingencies	40	40	-	40
Total Prenatal-to-Three Initiative	<u>4,672</u>	<u>4,740</u>	<u>3,464</u>	<u>1,276</u>
Correctional Health Services				
Salaries and benefits	4,972	4,672	4,340	332
Services and supplies	1,922	1,888	1,338	550
Other charges	76	116	87	29
Other financing uses	611	911	539	372
Intrafund transfers	(2,364)	(2,364)	(1,814)	(550)
Total Correctional Health Services	<u>5,217</u>	<u>5,223</u>	<u>4,490</u>	<u>733</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
AIDS Program				
Salaries and benefits	2,651	2,509	2,201	308
Services and supplies	1,644	1,857	1,653	204
Other charges	1,966	2,000	1,900	100
Other financing uses	5	5	5	-
Intrafund transfers	(516)	(516)	(246)	(270)
Contingencies	84	84	-	84
Total AIDS Program	<u>5,834</u>	<u>5,939</u>	<u>5,513</u>	<u>426</u>
<b>Total Health and Sanitation</b>	<u>154,767</u>	<u>163,644</u>	<u>142,095</u>	<u>21,549</u>
<b>Public Assistance</b>				
Aging & Adult Services				
Salaries and benefits	8,590	8,627	8,142	485
Services and supplies	3,377	3,099	2,808	291
Other charges	4,619	5,195	4,006	1,189
Fixed assets	-	5	-	5
Other financing uses	10	626	626	-
Intrafund transfers	(1,319)	(1,319)	(1,334)	15
Total Aging & Adult Services	<u>15,277</u>	<u>16,233</u>	<u>14,248</u>	<u>1,985</u>
In Home Support Services - Public Authority				
Other financing uses	2,550	2,550	2,550	-
Total In Home Support Services - Public Authority	<u>2,550</u>	<u>2,550</u>	<u>2,550</u>	<u>-</u>
Human Agency Services - Central Administration				
Salaries and benefits	8,586	7,946	7,868	78
Services and supplies	4,026	4,026	2,766	1,260
Other charges	1,479	2,119	2,114	5
Fixed assets	522	522	236	286
Intrafund transfers	(12,689)	(12,689)	(10,869)	(1,820)
Contingencies	2,538	2,538	-	2,538
Total Human Agency Services - Central Administration	<u>4,462</u>	<u>4,462</u>	<u>2,115</u>	<u>2,347</u>
Housing & Community Services				
Salaries and benefits	1,632	1,632	1,392	240
Services and supplies	2,769	2,769	2,066	703
Other charges	15,072	15,060	10,959	4,101
Fixed assets	-	12	-	12
Intrafund transfers	(177)	(177)	(138)	(39)
Total Housing & Community Services	<u>19,296</u>	<u>19,296</u>	<u>14,279</u>	<u>5,017</u>
County Programs				
Services and supplies	721	721	282	439
Other charges	3,419	3,419	2,359	1,060
Total County Programs	<u>4,140</u>	<u>4,140</u>	<u>2,641</u>	<u>1,499</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Eligibility Determination				
Salaries and benefits	15,919	15,578	14,316	1,262
Services and supplies	12,002	12,002	10,122	1,880
Other charges	3,422	3,422	3,126	296
Other financing uses	385	385	379	6
Intrafund transfers	(713)	(713)	(274)	(439)
Total Eligibility Determination	<u>31,015</u>	<u>30,674</u>	<u>27,669</u>	<u>3,005</u>
Welfare Aid Payments				
Other charges	17,823	17,653	12,148	5,505
Total Welfare Aid Payments	<u>17,823</u>	<u>17,653</u>	<u>12,148</u>	<u>5,505</u>
Employment Services				
Salaries and benefits	2,761	2,761	2,681	80
Services and supplies	2,830	3,027	2,008	1,019
Other charges	3,984	4,284	3,541	743
Fixed assets	-	13	-	13
Other financing uses	51	51	-	51
Intrafund transfers	(168)	(168)	(154)	(14)
Total Employment Services	<u>9,458</u>	<u>9,968</u>	<u>8,076</u>	<u>1,892</u>
Vocation Rehabilitation Services				
Salaries and benefits	3,159	2,932	2,685	247
Services and supplies	1,698	1,925	1,896	29
Other charges	1,044	1,044	928	116
Fixed assets	25	25	15	10
Intrafund transfers	(2,816)	(2,816)	(2,381)	(435)
Contingencies	24	24	-	24
Total Vocation Rehabilitation Services	<u>3,134</u>	<u>3,134</u>	<u>3,143</u>	<u>(9)</u>
Staff Management				
Salaries and benefits	640	640	481	159
Services and supplies	507	878	737	141
Other charges	8,860	9,090	8,453	637
Other financing uses	14	14	-	14
Contingencies	751	751	-	751
Total Staff Management	<u>10,772</u>	<u>11,373</u>	<u>9,671</u>	<u>1,702</u>
Youth & Family Services Administration				
Salaries and benefits	1,633	1,629	1,605	24
Services and supplies	2,862	2,597	1,584	1,013
Other charges	10,039	10,806	10,686	120
Contingencies	697	580	-	580
Total Youth & Family Services Administration	<u>15,231</u>	<u>15,612</u>	<u>13,875</u>	<u>1,737</u>

(Continued)

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Youth & Family Services Management				
Salaries and benefits	14,450	14,010	13,640	370
Services and supplies	8,489	10,541	8,002	2,539
Other charges	1,953	2,003	1,963	40
Intrafund transfers	(387)	(387)	(729)	342
Contingencies	72	72	-	72
Total Youth & Family Services Management	<u>24,577</u>	<u>26,239</u>	<u>22,876</u>	<u>3,363</u>
Foster Care				
Salaries and benefits	1,035	1,235	1,227	8
Services and supplies	625	950	906	44
Other charges	17,291	18,581	18,275	306
Intrafund transfers	(220)	(220)	(220)	-
Contingencies	1,754	1,584	-	1,584
Total Foster Care	<u>20,485</u>	<u>22,130</u>	<u>20,188</u>	<u>1,942</u>
<b>Total Public Assistance</b>	<u>178,220</u>	<u>183,464</u>	<u>153,479</u>	<u>29,985</u>
<b><u>Education</u></b>				
Cooperative Extension				
Salaries and benefits	87	87	86	1
Services and supplies	34	34	27	7
Other charges	70	70	70	-
Total Cooperative Extension	<u>191</u>	<u>191</u>	<u>183</u>	<u>8</u>
<b>Total Education</b>	<u>191</u>	<u>191</u>	<u>183</u>	<u>8</u>
<b><u>Recreation</u></b>				
Parks & Recreation				
Salaries and benefits	5,101	4,965	4,540	425
Services and supplies	1,804	1,869	1,540	329
Other charges	757	820	769	51
Fixed assets	463	316	229	87
Other financing uses	168	336	296	40
Total Parks & Recreation	<u>8,293</u>	<u>8,306</u>	<u>7,374</u>	<u>932</u>
<b>Total Recreation</b>	<u>8,293</u>	<u>8,306</u>	<u>7,374</u>	<u>932</u>
<b><u>Contingencies</u></b>				
Contingencies				
Contingencies	18,299	16,997	-	16,997
Total Contingencies	<u>18,299</u>	<u>16,997</u>	<u>-</u>	<u>16,997</u>
<b>Total Contingencies</b>	<u>18,299</u>	<u>16,997</u>	<u>-</u>	<u>16,997</u>
Total charges to appropriation	<u>725,306</u>	<u>736,387</u>	<u>542,586</u>	<u>193,801</u>
<b>Budgetary balances, June 30</b>	<u>\$ -</u>	<u>\$ 18,610</u>	<u>\$ 171,195</u>	<u>\$ 152,585</u>

(Continued)

**County of San Mateo  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 578,266
 Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(388)
Receipts from sub-funds reclassified from County Agency Fund, not budgeted	6,989
 Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 584,867

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 542,586
 Differences - budget to GAAP:	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	253
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(34,627)
Disbursements from sub-funds reclassified from County Agency Fund, not budgeted	5,061
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 513,273

## COUNTY OF SAN MATEO

### **Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2001 (Dollars in Thousands)**

#### **BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds except for the JPFA. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Manager's office and must be approved by the Board of Supervisors. Supplemental appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution, the County Manager is authorized to approve transfers and revision of appropriations under \$50,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the 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 (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances are budgeted as expenditures.



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



## Nonmajor Governmental Funds



**County of San Mateo  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2001  
(Dollars in Thousands)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 76,228	\$ 6,818	\$ 7,784	\$ 90,830
Receivables (net):				
Accounts	1,123	-	57	1,180
Interest	519	28	54	601
Taxes	1,653	-	-	1,653
Advances	22	-	-	22
Other	526	-	-	526
Due from other funds	216	176	41	433
Due from other governmental agencies	1,954	-	-	1,954
Other assets	6	-	-	6
Inventories	383	-	-	383
Advances to other funds	220	-	3,000	3,220
Total assets	<u>\$ 82,850</u>	<u>\$ 7,022</u>	<u>\$ 10,936</u>	<u>\$ 100,808</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 2,480	\$ 2	\$ 1,050	\$ 3,532
Accrued salaries and benefits	137	-	-	137
Due to other funds	1,668	-	4	1,672
Due to other governmental agencies	54	-	-	54
Advances from other funds	308	-	-	308
Deferred revenue	2,612	-	650	3,262
Deposits	37	-	-	37
Total liabilities	<u>7,296</u>	<u>2</u>	<u>1,704</u>	<u>9,002</u>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Encumbrances	15,180	-	41	15,221
Debt service	-	7,020	-	7,020
Inventories and advances	603	-	3,000	3,603
Unreserved, reported in				
Special revenue funds	59,771	-	-	59,771
Capital projects funds	-	-	6,191	6,191
Total fund balances	<u>75,554</u>	<u>7,020</u>	<u>9,232</u>	<u>91,806</u>
Total liabilities and fund balances	<u>\$ 82,850</u>	<u>\$ 7,022</u>	<u>\$ 10,936</u>	<u>\$ 100,808</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, 2001**  
**(Dollars in Thousands)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>Revenues:</b>				
Taxes	\$ 10,497	\$ -	\$ -	\$ 10,497
Licenses and permits	3,966	-	-	3,966
Use of money and property	5,899	432	480	6,811
Intergovernmental	23,493	-	1,833	25,326
Charges for services	10,472	-	3,002	13,474
Fines, forfeitures and penalties	1,162	-	2,760	3,922
Other	1,439	21	112	1,572
Total revenues	<u>56,928</u>	<u>453</u>	<u>8,187</u>	<u>65,568</u>
<b>Expenditures:</b>				
Current Operating:				
General government	4,165	41	-	4,206
Public protection	5,273	-	-	5,273
Public ways and facilities	20,505	-	-	20,505
Health and sanitation	15,623	-	-	15,623
Capital outlay	1,490	-	14,564	16,054
Debt service:				
Principal	460	-	-	460
Interest	18	-	-	18
Total expenditures	<u>47,534</u>	<u>41</u>	<u>14,564</u>	<u>62,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,394</u>	<u>412</u>	<u>(6,377)</u>	<u>3,429</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	1,000	-	-	1,000
Transfers in	3,720	18,915	9,237	31,872
Transfers out	(3,072)	(18,185)	(2,154)	(23,411)
Total other financing sources (uses)	<u>1,648</u>	<u>730</u>	<u>7,083</u>	<u>9,461</u>
<b>Net change in fund balances</b>	11,042	1,142	706	12,890
Fund balances - beginning, as previously stated	62,907	5,878	8,526	77,311
Prior period adjustment	1,605	-	-	1,605
Fund balances - beginning, as restated	<u>64,512</u>	<u>5,878</u>	<u>8,526</u>	<u>78,916</u>
Fund balances - ending	<u>\$ 75,554</u>	<u>\$ 7,020</u>	<u>\$ 9,232</u>	<u>\$ 91,806</u>

## COUNTY OF SAN MATEO

### Nonmajor Governmental Funds

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

The *Road Fund* provides for planning, design, construction, maintenance and administration of County transportation planning activities. Revenues consist primarily of the County's share of State highway user taxes and are supplemented by Federal funds.

The *County Fire Protection Fund* provides fire protection services to both cities and unincorporated areas in the County. Property taxes provide most of the Fund's revenues.

The *County Service Area Fund* accounts for special districts funds that provide water and refuse disposal services and lighting maintenance to specific areas in the County and are financed by property taxes and user charges.

The *Sewer and Sanitation Fund* accounts for special district funds that support construction and maintenance of reliable sanitary sewer systems, which allow sensitive sewage treatment and disposal in specific areas in the County and are financed by user charges and property taxes.

The *Flood Control Zone Fund* accounts for special district funds that provide services to control flood and storm waters within the districts. Revenues are primarily received from property taxes and Federal grants.

The *Lighting Districts Fund* accounts for special district funds that enhance the safety of residents and businesses by providing adequate lighting systems to specific areas in the County and are primarily financed by property taxes.

The *Emergency Medical Services Fund* was established to implement Senate Bill 12/612 to provide financial assistance for individuals. This fund is financed by a special assessment imposed on court fines, forfeitures and traffic school fees.

The *County Half-Cent Transportation Fund* accounts for revenues generated by a special one-half cent sales tax that was approved by the voters of San Mateo County during 1988. This fund is restricted for transportation related programs sponsored by other County departments and outside agencies.

The *County-Wide Road Improvement Fund* accounts for mitigation fees imposed when building permits are issued to fund improvements to the County road system.

The *Solid Waste Fund* accounts for revenues related to the County management and operation of solid waste facilities owned by the County as well as aid from federal, state and other local agencies. The primary source of revenue comes from licenses, permits and franchise fees. Expenditures are specifically for programs in resource conservation.

## COUNTY OF SAN MATEO

### Nonmajor Governmental Funds

#### SPECIAL REVENUE FUNDS (Continued)

The *Public Authority IHSS Fund* allows for the maintenance of a registry and referral system to assist consumers in finding qualified in-home supportive services (IHSS) personnel as well as training of and support for providers and recipients of IHSS. Revenues primarily come from State grants.

The *Water Districts Fund* accounts for special district funds that support the provision to certain areas of adequate and reliable supplies of high quality water. Revenues principally come from user charges.

The *Other Special Revenue Funds* account for the activities of several Special Revenue Funds that include :

- Fish and Game
- Off-Highway Vehicle License Fees
- Highlands Landscape Maintenance District
- Redevelopment Agency
- Various Drainage Districts Funds

**County of San Mateo  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2001  
(Dollars in Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services	County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	Public Authority IHSS	Water Districts	Other Special Revenue	Total
<b><u>ASSETS</u></b>														
Cash and investments	\$ 18,575	\$ 850	\$ 2,932	\$ 9,146	\$ 14,818	\$ 4,067	\$ 2,201	\$ 3,617	\$ 3,876	\$ 12,323	\$ 1,188	\$ 2,056	\$ 579	\$ 76,228
Receivables (net):														
Accounts	1,000	-	26	-	-	-	-	-	-	-	97	-	-	1,123
Interest	112	26	22	64	94	27	15	26	28	83	5	13	4	519
Taxes	-	806	328	57	366	91	-	-	-	-	-	-	5	1,653
Advances	22	-	-	-	-	-	-	-	-	-	-	-	-	22
Other	315	-	161	-	-	50	-	-	-	-	-	-	-	526
Due from other funds	9	-	6	123	22	16	-	-	-	32	-	8	-	216
Due from other governmental agencies	1,204	-	-	-	-	-	-	388	-	-	362	-	-	1,954
Other assets	6	-	-	-	-	-	-	-	-	-	-	-	-	6
Inventories	383	-	-	-	-	-	-	-	-	-	-	-	-	383
Advances to other funds	-	-	-	-	-	-	-	-	-	194	-	-	26	220
Total assets	<u>\$ 21,626</u>	<u>\$ 1,682</u>	<u>\$ 3,475</u>	<u>\$ 9,390</u>	<u>\$ 15,300</u>	<u>\$ 4,251</u>	<u>\$ 2,216</u>	<u>\$ 4,031</u>	<u>\$ 3,904</u>	<u>\$ 12,632</u>	<u>\$ 1,555</u>	<u>\$ 2,174</u>	<u>\$ 614</u>	<u>\$ 82,850</u>
<b><u>LIABILITIES</u></b>														
Accounts payable	\$ 1,115	\$ -	\$ 201	\$ 35	\$ 8	\$ 9	\$ 109	\$ 20	\$ -	\$ 59	\$ 769	\$ 154	\$ 1	\$ 2,480
Accrued salaries and benefits	104	-	-	10	-	-	-	8	-	10	5	-	-	137
Due to other funds	855	222	33	215	70	29	-	96	-	96	-	51	1	1,668
Due to other governmental agencies	-	-	-	-	-	-	-	-	-	-	-	54	-	54
Advances from other funds	-	-	263	-	-	-	-	-	-	-	-	19	26	308
Deferred revenue	507	806	490	57	366	91	-	-	-	176	114	-	5	2,612
Deposits	2	-	5	-	-	-	-	-	-	-	-	30	-	37
Total liabilities	<u>2,583</u>	<u>1,028</u>	<u>992</u>	<u>317</u>	<u>444</u>	<u>129</u>	<u>109</u>	<u>124</u>	<u>-</u>	<u>341</u>	<u>888</u>	<u>308</u>	<u>33</u>	<u>7,296</u>
<b><u>EQUITY</u></b>														
Reserved for:														
Encumbrances	14,999	107	-	-	-	-	-	-	-	-	68	-	6	15,180
Inventories and advances	383	-	-	-	-	-	-	-	-	194	-	-	26	603
Unreserved:														
Designated	400	36	-	-	-	-	1,489	-	3,049	1,734	-	-	244	6,952
Undesignated	3,261	511	2,483	9,073	14,856	4,122	618	3,907	855	10,363	599	1,866	305	52,819
Total fund balances	<u>19,043</u>	<u>654</u>	<u>2,483</u>	<u>9,073</u>	<u>14,856</u>	<u>4,122</u>	<u>2,107</u>	<u>3,907</u>	<u>3,904</u>	<u>12,291</u>	<u>667</u>	<u>1,866</u>	<u>581</u>	<u>75,554</u>
Total liabilities and fund balances	<u>\$ 21,626</u>	<u>\$ 1,682</u>	<u>\$ 3,475</u>	<u>\$ 9,390</u>	<u>\$ 15,300</u>	<u>\$ 4,251</u>	<u>\$ 2,216</u>	<u>\$ 4,031</u>	<u>\$ 3,904</u>	<u>\$ 12,632</u>	<u>\$ 1,555</u>	<u>\$ 2,174</u>	<u>\$ 614</u>	<u>\$ 82,850</u>

**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, 2001**  
**(Dollars in Thousands)**

	Road	County Fire Protection	County Service Area	Sewer and Sanitation	Flood Control Zone	Lighting Districts	Emergency Medical Services	County Half-Cent Transportation	County-Wide Road Improvement	Solid Waste	Public Authority IHSS	Water Districts	Other Special Revenue	Total
<b>Revenues</b>														
Taxes	\$ -	\$ 4,589	\$ 1,683	\$ 292	\$ 1,686	\$ 446	\$ -	\$ 1,775	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 10,497
Licenses and permits	1	-	-	-	-	-	-	-	-	3,965	-	-	-	3,966
Use of money and property	1,398	127	215	758	1,137	305	158	301	316	890	80	170	44	5,899
Intergovernmental	18,587	145	21	8	123	15	59	181	-	797	3,545	-	12	23,493
Charges for services	1,114	73	998	3,535	-	-	-	433	760	1,312	-	2,247	-	10,472
Fines, forfeitures and penalties	-	-	-	-	-	-	1,156	-	-	-	-	-	-	6
Other	237	39	6	4	568	-	326	1	-	225	1	11	21	1,439
<b>Total revenues</b>	<b>21,337</b>	<b>4,973</b>	<b>2,923</b>	<b>4,597</b>	<b>3,514</b>	<b>766</b>	<b>1,699</b>	<b>2,691</b>	<b>1,076</b>	<b>7,189</b>	<b>3,626</b>	<b>2,428</b>	<b>109</b>	<b>56,928</b>
<b>Expenditures</b>														
Current Operating:														
General government	-	-	2,065	-	-	298	-	-	-	-	-	1,801	1	4,165
Public protection	-	4,497	-	-	776	-	-	-	-	-	-	-	-	5,273
Public ways and facilities	17,841	-	-	-	-	-	-	1,921	743	-	-	-	-	20,505
Health and sanitation	-	-	-	4,231	-	-	1,189	-	-	4,141	6,050	-	12	15,623
Capital outlay	896	349	45	-	-	-	-	-	-	-	-	200	-	1,490
Debt service:														
Principal	-	-	15	-	-	-	-	-	-	-	-	416	29	460
Interest	-	-	8	-	-	-	-	-	-	-	-	9	1	18
<b>Total expenditures</b>	<b>18,737</b>	<b>4,846</b>	<b>2,133</b>	<b>4,231</b>	<b>776</b>	<b>298</b>	<b>1,189</b>	<b>1,921</b>	<b>743</b>	<b>4,141</b>	<b>6,050</b>	<b>2,426</b>	<b>43</b>	<b>47,534</b>
Excess (deficiency) of revenues over (under) expenditures	2,600	127	790	366	2,738	468	510	770	333	3,048	(2,424)	2	66	9,394
<b>Other financing sources (uses)</b>														
Proceeds from sale of capital assets	1,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Transfers in	-	-	-	-	1,169	-	-	-	-	-	2,551	-	-	3,720
Transfers out	(56)	-	-	(105)	(2,198)	-	(64)	(513)	-	(83)	-	(53)	-	(3,072)
<b>Total other financing sources (uses)</b>	<b>944</b>	<b>-</b>	<b>-</b>	<b>(105)</b>	<b>(1,029)</b>	<b>-</b>	<b>(64)</b>	<b>(513)</b>	<b>-</b>	<b>(83)</b>	<b>2,551</b>	<b>(53)</b>	<b>-</b>	<b>1,648</b>
<b>Net change in fund balances</b>	<b>3,544</b>	<b>127</b>	<b>790</b>	<b>261</b>	<b>1,709</b>	<b>468</b>	<b>446</b>	<b>257</b>	<b>333</b>	<b>2,965</b>	<b>127</b>	<b>(51)</b>	<b>66</b>	<b>11,042</b>
Fund balances - beginning, as previously reported	14,256	527	1,693	8,812	13,147	3,654	1,666	3,298	3,571	9,311	540	1,917	515	62,907
Prior period adjustment	1,243	-	-	-	-	-	(5)	352	-	15	-	-	-	1,605
Fund balances - beginning, as restated	15,499	527	1,693	8,812	13,147	3,654	1,661	3,650	3,571	9,326	540	1,917	515	64,512
<b>Fund balances - ending</b>	<b>\$ 19,043</b>	<b>\$ 654</b>	<b>\$ 2,483</b>	<b>\$ 9,073</b>	<b>\$ 14,856</b>	<b>\$ 4,122</b>	<b>\$ 2,107</b>	<b>\$ 3,907</b>	<b>\$ 3,904</b>	<b>\$ 12,291</b>	<b>\$ 667</b>	<b>\$ 1,866</b>	<b>\$ 581</b>	<b>\$ 75,554</b>

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 14,201	\$ 14,201	\$ 3,343	(10,858)
<b>Resources (inflows):</b>				
Licenses, permits and franchises	-	-	1	1
Use of money and property	647	647	1,398	751
Intergovernmental revenues	19,886	19,886	18,587	(1,299)
Charges for services	97	97	1,114	1,017
Interfund revenue	617	617	-	(617)
Miscellaneous revenue	190	390	231	(159)
Other financing sources	975	975	1,000	25
Amounts available for appropriation	<u>22,412</u>	<u>22,612</u>	<u>22,331</u>	<u>(281)</u>
<b>Charges to appropriations (outflows):</b>				
Public ways and facilities				
Salaries and benefits	5,772	5,772	5,370	402
Services and supplies	26,351	26,351	17,367	8,984
Other charges	2,018	2,018	632	1,386
Fixed assets	2,016	2,016	643	1,373
Other financing uses	56	56	56	-
Intrafund transfers	-	-	(1,195)	1,195
Contingencies	400	400	-	400
Total charges to appropriations	<u>36,613</u>	<u>36,613</u>	<u>22,873</u>	<u>13,740</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 2,801</u>	<u>\$ 2,601</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 22,331
Differences - budget to GAAP:	
Receipts from funds reclassified from County Agency Fund, not budgeted	6
The proceeds from the sale of capital assets are budgetary resources but are regarded as other financing source, rather than revenue, for financial reporting purposes	<u>(1,000)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 21,337</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 22,873
Differences - budget to GAAP:	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(4,087)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(56)
Disbursements from funds reclassified from County Agency Fund, not budgeted	<u>7</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 18,737</u>

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**County Fire Protection Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 538	\$ 538	\$ 529	\$ (9)
<b>Resources (inflows):</b>				
Taxes	4,285	4,285	4,589	304
Use of money and property	61	61	127	66
Intergovernmental revenues	236	236	145	(91)
Charges for services	50	50	73	23
Miscellaneous revenue	39	39	39	-
Amounts available for appropriation	4,671	4,671	4,973	302
<b>Charges to appropriations (outflows):</b>				
Public protection				
Services and supplies	5,173	4,717	4,497	220
Fixed assets	-	456	456	-
Non-general fund reserves	36	36	-	36
Total charges to appropriations	5,209	5,209	4,953	256
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 549	\$ 549

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,953
<b>Differences - budget to GAAP:</b>	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(107)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 4,846



**County of San Mateo**  
**Budgetary Comparison Schedule**  
**County Service Area Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 2,295	\$ 2,295	\$ 1,693	\$ (602)
<b>Resources (inflows):</b>				
Taxes	1,535	1,571	1,683	112
Use of money and property	84	84	215	131
Intergovernmental revenues	30	30	21	(9)
Charges for services	977	977	998	21
Interfund revenue	-	-	6	6
Amounts available for appropriation	<u>2,626</u>	<u>2,662</u>	<u>2,923</u>	<u>261</u>
<b>Charges to appropriations (outflows):</b>				
General government				
Services and supplies	3,807	3,707	1,847	1,860
Other charges	166	312	241	71
Fixed assets	10	45	45	-
Intrafund transfers	(50)	(50)	-	(50)
Contingencies	505	460	-	460
Non-general fund reserves	483	483	-	483
Total charges to appropriations	<u>4,921</u>	<u>4,957</u>	<u>2,133</u>	<u>2,824</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,483</u>	<u>\$ 2,483</u>

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**Sewer and Sanitation Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 9,030	\$ 9,030	\$ 8,812	\$ (218)
<b>Resources (inflows):</b>				
Taxes	276	276	292	16
Use of money and property	394	394	758	364
Intergovernmental revenues	4	4	8	4
Charges for services	2,970	2,970	3,535	565
Interfund revenue	659	659	4	(655)
Amounts available for appropriation	4,303	4,303	4,597	294
<b>Charges to appropriations (outflows):</b>				
Health and sanitation				
Salaries and benefits	551	551	534	17
Services and supplies	4,484	4,484	3,585	899
Other charges	4	113	113	-
Fixed assets	90	90	-	90
Other financing uses	105	105	105	-
Intrafund transfers	(795)	(795)	(1)	(794)
Contingencies	8,894	8,785	-	8,785
Total charges to appropriations	13,333	13,333	4,336	8,997
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 9,073	\$ 9,073

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,336
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(105)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 4,231

**County of San Mateo  
Budgetary Comparison Schedule  
Flood Control Zone Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 13,523	\$ 13,523	\$ 13,146	\$ (377)
<b>Resources (inflows):</b>				
Taxes	1,649	1,649	1,686	37
Use of money and property	621	621	1,137	516
Intergovernmental revenues	24	24	123	99
Interfund revenue	-	-	13	13
Miscellaneous revenue	5,154	5,154	555	(4,599)
Other financing sources	-	-	1,169	1,169
Amounts available for appropriation	<u>7,448</u>	<u>7,448</u>	<u>4,683</u>	<u>(2,765)</u>
<b>Charges to appropriations (outflows):</b>				
Public protection				
Services and supplies	1,465	1,465	774	691
Other charges	19	19	2	17
Fixed assets	12,027	12,027	-	12,027
Other financing uses	2,657	2,657	2,198	459
Intrafund transfers	(1,261)	(1,261)	-	(1,261)
Contingencies	6,064	6,064	-	6,064
Total charges to appropriations	<u>20,971</u>	<u>20,971</u>	<u>2,974</u>	<u>17,997</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,855</u>	<u>\$ 14,855</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 4,683
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes	<u>(1,169)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,514</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,974
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,198)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 776</u>

**County of San Mateo  
Budgetary Comparison Schedule  
Lighting Districts Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 3,747	\$ 3,747	\$ 3,653	\$ (94)
<b>Resources (inflows):</b>				
Taxes	427	427	446	19
Use of money and property	156	156	305	149
Intergovernmental revenues	6	6	15	9
Amounts available for appropriation	<u>589</u>	<u>589</u>	<u>766</u>	<u>177</u>
<b>Charges to appropriations (outflows):</b>				
General government				
Services and supplies	709	691	298	393
Other charges	-	18	-	18
Intrafund transfers	(100)	(100)	-	(100)
Contingencies	3,727	3,727	-	3,727
Total charges to appropriations	<u>4,336</u>	<u>4,336</u>	<u>298</u>	<u>4,038</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,121</u>	<u>\$ 4,121</u>

**County of San Mateo  
Budgetary Comparison Schedule  
Emergency Medical Services Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,708	\$ 1,708	\$ 1,666	\$ (42)
<b>Resources (inflows):</b>				
Fines, forfeitures and penalties	790	790	1,156	366
Use of money and property	114	114	158	44
Intergovernmental revenues	159	159	59	(100)
Charges for services	-	-	-	-
Miscellaneous revenue	-	-	326	326
Amounts available for appropriation	1,063	1,063	1,699	636
<b>Charges to appropriations (outflows):</b>				
Health and sanitation				
Services and supplies	1,217	1,217	1,189	28
Other financing uses	65	65	64	1
Non-general fund reserves	1,489	1,489	-	1,489
Total charges to appropriations	2,771	2,771	1,253	1,518
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 2,112	\$ 2,112

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,253
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(64)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 1,189

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**County Half-Cent Transportation Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 3,391	\$ 3,391	\$ 3,297	\$ (94)
<b>Resources (inflows):</b>				
Taxes	1,500	1,500	1,775	275
Use of money and property	150	150	301	151
Intergovernmental revenues	582	582	181	(401)
Charges for services	228	228	433	205
Interfund revenues	100	100	-	(100)
Miscellaneous revenues	130	130	1	(129)
Amounts available for appropriation	2,690	2,690	2,691	1
<b>Charges to appropriations (outflows):</b>				
Public ways and facilities				
Salaries and benefits	402	402	395	7
Services and supplies	4,610	4,610	1,290	3,320
Other charges	341	341	236	105
Other financing uses	728	728	513	215
Total charges to appropriations	6,081	6,081	2,434	3,647
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 3,554	\$ 3,554

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,434
<b>Differences - budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(513)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 1,921

**County of San Mateo  
 Budgetary Comparison Schedule  
 County-wide Road Improvement Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 3,659	\$ 3,659	\$ 3,571	\$ (88)
<b>Resources (inflows):</b>				
Use of money and property	120	120	316	196
Charges for services	<u>510</u>	<u>510</u>	<u>760</u>	<u>250</u>
Amounts available for appropriation	<u>630</u>	<u>630</u>	<u>1,076</u>	<u>446</u>
<b>Charges to appropriations (outflows):</b>				
Public ways and facilities				
Services and supplies	1,240	1,240	743	497
Contingencies	250	250	-	250
Non-general fund reserves	<u>2,799</u>	<u>2,799</u>	<u>-</u>	<u>2,799</u>
Total charges to appropriations	<u>4,289</u>	<u>4,289</u>	<u>743</u>	<u>3,546</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,904</u>	<u>\$ 3,904</u>

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**Solid Waste Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 9,621	\$ 9,621	\$ 9,311	\$ (310)
<b>Resources (inflows):</b>				
Licenses, permits and franchises	4,500	4,500	3,965	(535)
Use of money and property	400	400	890	490
Intergovernmental revenues	205	205	797	592
Charges for services	60	60	1,312	1,252
Miscellaneous revenue	40	40	225	185
Amounts available for appropriation	5,205	5,205	7,189	1,984
<b>Charges to appropriations (outflows):</b>				
Health and sanitation				
Salaries and benefits	839	839	491	348
Services and supplies	6,925	6,925	1,749	5,176
Other charges	2,006	2,006	1,886	120
Fixed assets	187	187	-	187
Other financing uses	3,135	3,135	83	3,052
Contingencies	1,734	1,734	-	1,734
<b>Total charges to appropriations</b>	14,826	14,826	4,209	10,617
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 12,291	\$ 12,291

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,209
<b>Differences - budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(83)
Disbursements from funds reclassified from County Agency Fund, not budgeted	15
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 4,141



**County of San Mateo  
Budgetary Comparison Schedule  
Public Authority IHSS Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 634	\$ 634	\$ 471	\$ (163)
<b>Resources (inflows):</b>				
Use of money and property	50	50	80	30
Intergovernmental revenues	4,577	4,577	3,545	(1,032)
Interfund revenue	2,550	2,550	2,551	1
Miscellaneous revenue	1	1	1	-
Amounts available for appropriation	<u>7,178</u>	<u>7,178</u>	<u>6,177</u>	<u>(1,001)</u>
<b>Charges to appropriations (outflows):</b>				
Health and sanitation				
Salaries and benefits	271	271	205	66
Services and supplies	249	249	223	26
Other charges	7,292	7,292	5,619	1,673
Total charges to appropriations	<u>7,812</u>	<u>7,812</u>	<u>6,047</u>	<u>1,765</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601</u>	<u>\$ 601</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 6,177
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes	<u>(2,551)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 3,626</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 6,047
Differences - budget to GAAP:	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	<u>3</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 6,050</u>

**County of San Mateo  
Budgetary Comparison Schedule  
Water Districts Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,979	\$ 1,979	\$ 1,915	\$ (64)
<b>Resources (inflows):</b>				
Use of money and property	86	86	170	84
Charges for services	1,821	1,821	2,247	426
Interfund revenue	25	25	-	(25)
Miscellaneous revenue	5	5	11	6
Total revenues	1,937	1,937	2,428	491
<b>Charges to appropriations (outflows):</b>				
General government				
Salaries and benefits	19	81	81	-
Services and supplies	1,858	1,796	1,596	200
Other charges	569	569	549	20
Fixed assets	-	200	200	-
Other financing uses	53	53	53	-
Intrafund transfers	(203)	(203)	-	(203)
Contingencies	1,620	1,420	-	1,420
Total charges to appropriations	3,916	3,916	2,479	1,437
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 1,864	\$ 1,864

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,479
<b>Differences - budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(53)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 2,426

**County of San Mateo  
Budgetary Comparison Schedule  
Other Special Revenue Funds  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b><u>Fish and Game Fund</u></b>				
<b>Budgetary fund balances, July 1</b>	\$ 55	\$ 55	\$ 67	\$ 12
Resources (inflows):				
Fines, forfeitures and penalties	8	8	-	(8)
Use of money and property	2	2	12	10
Amounts available for appropriation	<u>10</u>	<u>10</u>	<u>12</u>	<u>2</u>
Charges to appropriations (outflows):				
General government				
Services and supplies	20	20	1	19
Non-general fund reserves	45	45	-	45
Total charges to appropriations	<u>65</u>	<u>65</u>	<u>1</u>	<u>64</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 78</u>
<b><u>Off-Highway Vehicle License Fees Fund</u></b>				
<b>Budgetary fund balances, July 1</b>	\$ 248	\$ 248	\$ 243	\$ (5)
Resources (inflows):				
Use of money and property	11	11	21	10
Intergovernmental revenue	10	10	12	2
Amounts available for appropriation	<u>21</u>	<u>21</u>	<u>33</u>	<u>12</u>
Charges to appropriations (outflows):				
Public ways and facilities				
Services and supplies	70	70	4	66
Non-general fund reserves	199	199	-	199
Total charges to appropriations	<u>269</u>	<u>269</u>	<u>4</u>	<u>265</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 277</u>

(Continued)

**County of San Mateo  
Budgetary Comparison Schedule  
Other Special Revenue Funds  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b><u>Highlands Landscape Maintenance District</u></b>				
<b>Budgetary fund balances, July 1</b>	\$ 5	\$ 5	\$ 5	\$ -
Resources (inflows):				
Taxes	2	2	4	2
Use of money and property	-	-	-	-
Amounts available for appropriation	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
Charges to appropriations (outflows):				
General government				
Services and supplies	4	4	-	4
Non-general fund reserves	3	3	-	3
Total charges to appropriations	<u>7</u>	<u>7</u>	<u>-</u>	<u>7</u>
<b>Budgetary fund balances, June 30</b>	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
<b><u>Various Drainage Districts</u></b>				
<b>Budgetary fund balances, July 1</b>	\$ 204	\$ 204	\$ 193	\$ (11)
Resources (inflows):				
Taxes	20	20	22	2
Use of money and property	6	6	17	11
Amounts available for appropriation	<u>26</u>	<u>26</u>	<u>39</u>	<u>13</u>
Charges to appropriations (outflows):				
Health and sanitation				
Services and supplies	312	312	12	300
Intrafund transfers	(100)	(100)	-	(100)
Contingencies	18	18	-	18
Total charges to appropriations	<u>230</u>	<u>230</u>	<u>12</u>	<u>218</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 220</u>
<b><u>Total - Other Special Revenue Funds</u></b>				
<b>Budgetary fund balances, July 1</b>	\$ 512	\$ 512	\$ 508	\$ (4)
Resources (inflows)	59	59	88	29
Charges to appropriations (outflows)	571	571	17	554
Change in fund balance	<u>(512)</u>	<u>(512)</u>	<u>71</u>	<u>583</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 579</u>	<u>\$ 579</u>

(Continued)

**County of San Mateo  
Budgetary Comparison Schedule  
Other Special Revenue Funds  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 88
Differences - budget to GAAP:	
Receipts from Redevelopment Agency Fund, not budgeted	21
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 109</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 17
Differences - budget to GAAP:	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(4)
Disbursements from Redevelopment Agency Fund, not budgeted	30
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 43</u>

**COUNTY OF SAN MATEO**

**Nonmajor Governmental Funds**

**DEBT SERVICE FUNDS**

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the County's general long-term debt.

The *Other Debt Service Fund* was established to centrally budget all County debt service payments. Amounts are transferred into this fund from the 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, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 6,009	\$ 6,009	\$ 5,878	(131)
<b>Resources (inflows):</b>				
Use of money and property	-	-	432	432
Miscellaneous revenue	-	21	21	-
Other financing sources	18,613	18,592	18,915	323
Amount available for appropriation	<u>18,613</u>	<u>18,613</u>	<u>19,368</u>	<u>755</u>
<b>Charges to appropriations (outflows):</b>				
Other charges	19,163	19,163	18,226	937
Non-general fund reserves	5,459	5,459	-	5,459
Total charges to appropriations	<u>24,622</u>	<u>24,622</u>	<u>18,226</u>	<u>6,396</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,020</u>	<u>\$ 7,020</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis) "available for a from the budgetary comparison schedule	\$ 19,368
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(18,915)</u>
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 453</u>

Use/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 18,226
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(18,185)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	<u>\$ 41</u>

## COUNTY OF SAN MATEO

### Nonmajor Governmental Funds

#### CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary fund type.

The *Parks Acquisition Fund* is used for the acquisition of land for the County Park System and the development of County park facilities. Revenue in this fund came from one-time sale of land at San Bruno Mountain. Payments were made to this fund until August 1996 and interest has accrued on unspent balances. Revenue is currently received from grants and investment income.

The *Accumulated Capital Outlay Fund* accounts for appropriations for County capital improvement projects, and facilities maintenance projects payments. Revenue is generated from the sale of County real property and from interest earnings on fund balances.

*Criminal Facility Fund.* For every \$10.00 of all criminal and traffic fines, bail and imposed penalties, a \$2.25 penalty assessment, which is added to the fine, is placed into this fund for purposes of construction, reconstruction, expansion, improvement, operation or maintenance of county criminal justice facilities which includes, but is not limited to, jails, women's centers, detention facilities, juvenile halls and courtrooms. A penalty assessment of \$1.50 is placed in this fund for every parking offense paid. The Probation Department of the County also deposits \$1.00 into this fund for every \$10.00 in fines collected pursuant to Government Code 76004.

*Courthouse Construction Fund.* Source of revenue for this fund is identical to all the sources of revenues for the Criminal Facility Construction Fund above. Revenues received are intended for the construction, rehabilitation, lease and financing of courtrooms or of a courtroom building or buildings containing facilities necessary for the operations of the courts.

*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  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	<u>Parks Acquisition</u>	<u>Accumulated Capital Outlay</u>	<u>Criminal Facility</u>	<u>Courthouse Construction</u>	<u>Other Capital Projects</u>	<u>Total</u>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 1,423	\$ 167	\$ 1,784	\$ 2,173	\$ 2,237	\$ 7,784
Receivables (net):						
Accounts	-	-	-	-	57	57
Interest	8	1	16	16	13	54
Due from other funds	-	-	-	-	41	41
Advances to other funds	-	3,000	-	-	-	3,000
Total assets	<u>\$ 1,431</u>	<u>\$ 3,168</u>	<u>\$ 1,800</u>	<u>\$ 2,189</u>	<u>\$ 2,348</u>	<u>\$ 10,936</u>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 370	\$ -	\$ -	\$ -	\$ 680	\$ 1,050
Due to other funds	1	-	-	-	3	4
Deferred revenue	-	-	-	-	650	650
Total liabilities	<u>371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333</u>	<u>1,704</u>
<b><u>FUND BALANCES</u></b>						
Reserved for:						
Encumbrances	41	-	-	-	-	41
Advances	-	3,000	-	-	-	3,000
Unreserved:						
Designated	359	-	1,563	1,341	-	2,904
Undesignated	660	168	237	848	1,015	3,287
Total fund balances	<u>1,060</u>	<u>3,168</u>	<u>1,800</u>	<u>2,189</u>	<u>1,015</u>	<u>9,232</u>
Total liabilities and fund balances	<u>\$ 1,431</u>	<u>\$ 3,168</u>	<u>\$ 1,800</u>	<u>\$ 2,189</u>	<u>\$ 2,348</u>	<u>\$ 10,936</u>

**County of San Mateo**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Parks Acquisition	Accumulated Capital Outlays	Criminal Facility	Courthouse Construction	Other Capital Projects	Total
<b>Revenues:</b>						
Use of money and property	\$ 102	\$ 21	\$ 151	\$ 175	\$ 31	\$ 480
Intergovernmental	281	-	-	-	1,552	1,833
Charges for services	-	-	-	-	3,002	3,002
Fines, forfeitures and penalties	-	-	1,380	1,380	-	2,760
Other	-	-	-	-	112	112
Total revenues	<u>383</u>	<u>21</u>	<u>1,531</u>	<u>1,555</u>	<u>4,697</u>	<u>8,187</u>
<b>Expenditures:</b>						
Capital outlay	<u>568</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>13,771</u>	<u>14,564</u>
Total expenditures	<u>568</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>13,771</u>	<u>14,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185)</u>	<u>21</u>	<u>1,531</u>	<u>1,330</u>	<u>(9,074)</u>	<u>(6,377)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	9,237	9,237
Transfers out	<u>(1)</u>	<u>(126)</u>	<u>(1,100)</u>	<u>(927)</u>	<u>-</u>	<u>(2,154)</u>
Total other financing sources (uses)	<u>(1)</u>	<u>(126)</u>	<u>(1,100)</u>	<u>(927)</u>	<u>9,237</u>	<u>7,083</u>
<b>Net change in fund balances</b>	<u>(186)</u>	<u>(105)</u>	<u>431</u>	<u>403</u>	<u>163</u>	<u>706</u>
Fund balances - beginning	<u>1,246</u>	<u>3,273</u>	<u>1,369</u>	<u>1,786</u>	<u>852</u>	<u>8,526</u>
Fund balances- ending	<u>\$ 1,060</u>	<u>\$ 3,168</u>	<u>\$ 1,800</u>	<u>\$ 2,189</u>	<u>\$ 1,015</u>	<u>\$ 9,232</u>

**County of San Mateo**  
**Budgetary Comparison Schedule**  
**Parks Acquisition Fund**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,278	\$ 1,278	\$ 1,246	\$ (32)
<b>Resources (inflows):</b>				
Use of money and property	20	20	102	82
Intergovernmental revenues	766	766	281	(485)
Miscellaneous revenue	-	111	-	(111)
Amounts available for appropriation	<u>786</u>	<u>897</u>	<u>383</u>	<u>(514)</u>
<b>Charges to appropriations (outflows):</b>				
Capital projects				
Services and supplies	1,360	1,036	486	550
Other charges	345	345	123	222
Other financing uses	-	435	1	434
Non-general fund reserves	359	359	-	359
Total charges to appropriations	<u>2,064</u>	<u>2,175</u>	<u>610</u>	<u>1,565</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,019</u>	<u>\$ 1,019</u>

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 610
<b>Differences - budget to GAAP:</b>	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(41)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1)</u>
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	<u>\$ 568</u>

**County of San Mateo  
 Budgetary Comparison Schedule  
 Accumulated Capital Outlay Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 280	\$ 280	\$ 3,273	\$ 2,993
<b>Resources (inflows):</b>				
Use of money and property	-	-	21	21
Amounts available for appropriation	-	-	21	21
<b>Charges to appropriations (outflows):</b>				
Other financing uses	280	280	126	154
Total charges to appropriations	280	280	126	154
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 3,168	\$ 3,168

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 126
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(126)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	\$ -

**County of San Mateo  
Budgetary Comparison Schedule  
Criminal Facility Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,403	\$ 1,403	\$ 1,369	\$ (34)
<b>Resources (inflows):</b>				
Use of money and property	60	60	151	91
Charges for services	1,200	1,200	1,380	180
Amounts available for appropriation	1,260	1,260	1,531	271
<b>Charges to appropriations (outflows):</b>				
Other financing uses	1,100	1,100	1,100	-
Non-general fund reserves	1,563	1,563	-	1,563
Total charges to appropriations	2,663	2,663	1,100	1,563
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 1,800	\$ 1,800

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,100
<b>Differences - budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(1,100)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	\$ -

**County of San Mateo  
Budgetary Comparison Schedule  
Courthouse Construction Fund  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,833	\$ 1,833	\$ 1,786	\$ (47)
<b>Resources (inflows):</b>				
Use of money and property	60	60	175	115
Charges for services	1,200	1,200	1,380	180
Amounts available for appropriation	1,260	1,260	1,555	295
<b>Charges to appropriations (outflows):</b>				
Other charges	225	225	225	-
Other financing uses	1,527	1,527	927	600
Non-general fund reserves	1,341	1,341	-	1,341
Total charges to appropriations	3,093	3,093	1,152	1,941
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 2,189	\$ 2,189

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

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,152
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(927)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	\$ 225

**County of San Mateo  
Budgetary Comparison Schedule  
Other Capital Projects Funds  
For the Fiscal Year Ended June 30, 2001  
(Dollars in Thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Budgetary fund balances, July 1</b>	\$ 1,236	\$ 1,236	\$ 497	\$ (739)
<b>Resources (inflows):</b>				
Use of money and property	-	-	31	31
Intergovernmental revenues	6,698	6,698	1,552	(5,146)
Charges for services	550	550	3,002	2,452
Miscellaneous revenue	1,379	2,779	112	(2,667)
Other financing sources	16,781	17,766	9,237	(8,529)
Amounts available for appropriation	25,408	27,793	13,934	(13,859)
<b>Charges to appropriations (outflows):</b>				
Fixed assets	26,644	29,029	13,417	15,612
Total charges to appropriations	26,644	29,029	13,417	15,612
<b>Budgetary fund balances, June 30</b>	\$ -	\$ -	\$ 1,014	\$ 1,014

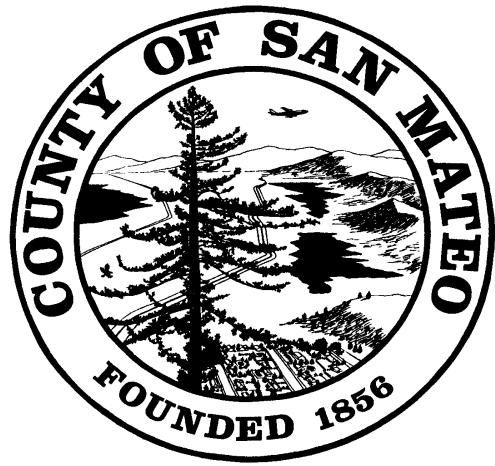
**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 13,934
<b>Differences - budget to GAAP:</b>	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(9,237)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	\$ 4,697

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,417
<b>Differences - budget to GAAP:</b>	
Encumbrances for supplies and services ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	354
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - nonmajor capital project funds	\$ 13,771



## 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 (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The *Airports Fund* was established to provide for operations and maintenance of the San Carlos and Half Moon Bay aviation facilities. Revenues include receipts under rental and lease arrangements involving County airport facilities and Federal aid.

The *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 Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2001**  
**(Dollars in Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 585	\$ 1,715	\$ 2,300
Receivables (net):			
Accounts	14	4	18
Interest	4	10	14
Total current assets	<u>603</u>	<u>1,729</u>	<u>2,332</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	6,843	1,335	8,178
Depreciable:			
Structures and improvement	11,565	10,550	22,115
Equipment	53	89	142
Less accumulated depreciation	(4,543)	(3,182)	(7,725)
Total noncurrent assets	<u>13,918</u>	<u>8,792</u>	<u>22,710</u>
Total assets	<u>\$ 14,521</u>	<u>\$ 10,521</u>	<u>\$ 25,042</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	\$ 9	\$ 16	\$ 25
Accrued salaries and benefits	10	8	18
Due to other funds	6	-	6
Due to other governmental agencies	130	-	130
Current portion of long-term liabilities	-	119	119
Total current liabilities	<u>155</u>	<u>143</u>	<u>298</u>
Noncurrent liabilities:			
Deferred revenue	94	-	94
Deposits	1	3	4
Compensated absences	27	24	51
Noncurrent portion of long-term liabilities	-	1,677	1,677
Total noncurrent liabilities	<u>122</u>	<u>1,704</u>	<u>1,826</u>
Total liabilities	<u>277</u>	<u>1,847</u>	<u>2,124</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	13,918	6,996	20,914
Unrestricted	326	1,678	2,004
Total net assets	<u>14,244</u>	<u>8,674</u>	<u>22,918</u>
Total liabilities and net assets	<u>\$ 14,521</u>	<u>\$ 10,521</u>	<u>\$ 25,042</u>

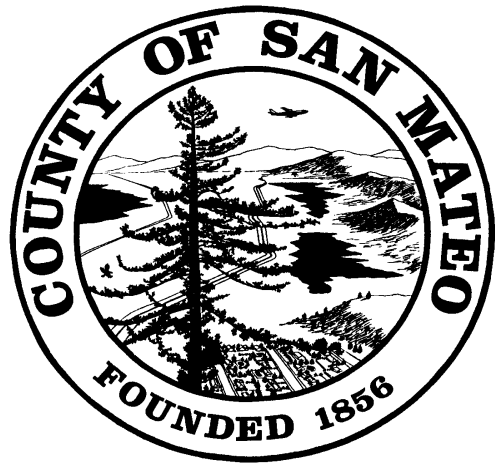
**County of San Mateo**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	<u>Airports</u>	<u>Coyote Point Marina</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 12	\$ 984	\$ 996
Rent and concessions	1,524	52	1,576
Miscellaneous	94	3	97
Total operating revenues	<u>1,630</u>	<u>1,039</u>	<u>2,669</u>
<b>Operating Expenses:</b>			
General and administrative	1,337	979	2,316
Depreciation and amortization	234	229	463
Total operating expenses	<u>1,571</u>	<u>1,208</u>	<u>2,779</u>
Operating income (loss)	<u>59</u>	<u>(169)</u>	<u>(110)</u>
<b>Nonoperating revenues (expenses):</b>			
State and federal grants	13	461	474
Interest and investment income	22	94	116
Interest expense	(5)	(46)	(51)
Total nonoperating revenues (expenses)	<u>30</u>	<u>509</u>	<u>539</u>
Net income before capital contribution and transfers	89	340	429
Capital contribution	147	-	147
Transfers out	<u>(14)</u>	<u>-</u>	<u>(14)</u>
<b>Change in net assets</b>	222	340	562
Net assets - beginning	<u>14,022</u>	<u>8,334</u>	<u>22,356</u>
Net assets - ending	<u>\$ 14,244</u>	<u>\$ 8,674</u>	<u>\$ 22,918</u>

**County of San Mateo**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Airports	Coyote Point Marina	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 1,722	\$ 1,046	\$ 2,768
Cash paid to suppliers for goods and services	(747)	(547)	(1,294)
Cash paid to employees for services	(479)	(332)	(811)
Cash paid for interfund services used	(44)	(72)	(116)
Net cash provided by operating activities	452	95	547
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers paid	(14)	-	(14)
Due to other funds	(1)	-	(1)
State and federal grant receipts	30	461	491
Net cash provided by noncapital financing activities	15	461	476
Advances from other funds			
<b>FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings	-	183	183
Acquisition and construction of fixed assets	1	(254)	(253)
Principal paid on long-term debt	-	(144)	(144)
Interest paid on long-term debt	(5)	(46)	(51)
Net cash used in capital and related financing activities	(4)	(261)	(265)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	19	100	119
Net cash provided by investing activities	19	100	119
Net increase in cash and cash equivalents	482	395	877
Total cash and cash equivalents, beginning of the year	103	1,320	1,423
Total cash and cash equivalents, end of the year	\$ 585	\$ 1,715	\$ 2,300

(Continued)



## 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 at the County are listed below:

The *Fleet Maintenance Fund* is responsible for purchases and maintenance of all County vehicles and administers a lease program for county departments. Full service repair facilities are operated in Belmont and Redwood City.

The *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. Remodeling and other craft services beyond the scope of building maintenance is provided to County departments and other government agencies on a fee for service basis. Capital project management and support and maintenance services to the Lighting Districts are also provided by this unit.

The *Self Insurance Funds* are established to account for administrative costs and for payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

- Worker's Compensation Insurance
- Long-Term Disability Trust
- Employee Benefits Trust
- Personal Injury and Property Damage

**County of San Mateo**  
**Combining Statement of Fund Net Assets**  
**Internal Service Funds**  
**June 30, 2001**  
**(Dollars in Thousands)**

	Fleet Maintenance	Tower Road Construction	Worker's Compensation Insurance	Long-Term Disability Trust	Employee Benefits Trust	Personal Injury and Property Damage	Total
<b><u>ASSETS</u></b>							
Current assets:							
Cash and investments	\$ 3,883	\$ 76	\$ 9,689	\$ 2,375	\$ 7,142	\$ 2,862	\$ 26,027
Receivables (net):							
Accounts	-	179	-	-	-	-	179
Interest	25	-	62	15	37	18	157
Due from other funds	74	3	1	-	-	1	79
Inventories	89	-	-	-	-	-	89
Total current assets	<u>4,071</u>	<u>258</u>	<u>9,752</u>	<u>2,390</u>	<u>7,179</u>	<u>2,881</u>	<u>26,531</u>
Noncurrent assets:							
Depreciable:							
Structures and improvements	835	-	-	-	-	-	835
Equipment	13,901	147	-	-	-	-	14,048
Less accumulated depreciation	<u>(9,438)</u>	<u>(115)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,553)</u>
Total noncurrent assets	<u>5,298</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,330</u>
Total assets	<u>\$ 9,369</u>	<u>\$ 290</u>	<u>\$ 9,752</u>	<u>\$ 2,390</u>	<u>\$ 7,179</u>	<u>\$ 2,881</u>	<u>\$ 31,861</u>
<b><u>LIABILITIES</u></b>							
Current liabilities:							
Accounts payable	\$ 90	\$ 61	\$ 233	\$ -	\$ 1,743	\$ 434	\$ 2,561
Accrued salaries and benefits	15	32	-	-	-	-	47
Accrued liabilities	-	1	-	-	-	-	1
Due to other funds	191	29	-	-	-	-	220
Total current liabilities	<u>296</u>	<u>123</u>	<u>233</u>	<u>-</u>	<u>1,743</u>	<u>434</u>	<u>2,829</u>
Noncurrent liabilities:							
Deposits	94	-	-	-	-	-	94
Estimated claims	-	-	19,380	2,051	327	3,034	24,792
Total noncurrent liabilities	<u>94</u>	<u>-</u>	<u>19,380</u>	<u>2,051</u>	<u>327</u>	<u>3,034</u>	<u>24,886</u>
Total liabilities	<u>390</u>	<u>123</u>	<u>19,613</u>	<u>2,051</u>	<u>2,070</u>	<u>3,468</u>	<u>27,715</u>
<b><u>NET ASSETS</u></b>							
Invested in capital assets, net of related debt	5,298	32	-	-	-	-	5,330
Unrestricted	<u>3,681</u>	<u>135</u>	<u>(9,861)</u>	<u>339</u>	<u>5,109</u>	<u>(587)</u>	<u>(1,184)</u>
Total net assets	<u>8,979</u>	<u>167</u>	<u>(9,861)</u>	<u>339</u>	<u>5,109</u>	<u>(587)</u>	<u>4,146</u>
Total liabilities and net assets	<u>\$ 9,369</u>	<u>\$ 290</u>	<u>\$ 9,752</u>	<u>\$ 2,390</u>	<u>\$ 7,179</u>	<u>\$ 2,881</u>	<u>\$ 31,861</u>

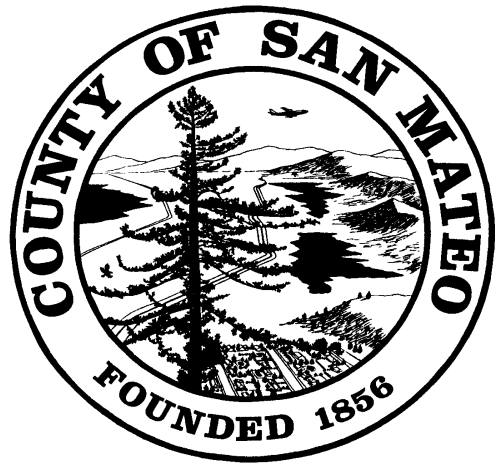
**County of San Mateo**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Fleet Maintenance	Tower Road Construction	Worker's Compensation Insurance	Long-Term Disability Trust	Employee Benefits Trust	Personal Injury and Property Damage	Total
<b>Operating revenues:</b>							
Charges for services	\$ 4,653	\$ 2,488	\$ 7,543	\$ 494	\$ 31,462	\$ 4,173	\$ 50,813
Miscellaneous	266	232	693	123	301	356	1,971
Total operating revenues	<u>4,919</u>	<u>2,720</u>	<u>8,236</u>	<u>617</u>	<u>31,763</u>	<u>4,529</u>	<u>52,784</u>
<b>Operating expenses:</b>							
General and administrative	1,933	2,691	1,819	259	979	1,300	8,981
Benefits and claims	-	-	13,428	358	3,330	1,375	18,491
Insurance premiums	338	11	233	-	26,515	2,034	29,131
Depreciation	1,868	8	-	-	-	-	1,876
Total operating expenses	<u>4,139</u>	<u>2,710</u>	<u>15,480</u>	<u>617</u>	<u>30,824</u>	<u>4,709</u>	<u>58,479</u>
Operating income (loss)	780	10	(7,244)	-	939	(180)	(5,695)
<b>Non operating revenues (expenses)</b>							
Loss from disposal of capital assets	(16)	-	-	-	-	-	(16)
Interest and investment income	267	-	233	49	110	65	724
Interest expense	-	(3)	-	-	-	-	(3)
Total nonoperating revenues (expenses)	<u>251</u>	<u>(3)</u>	<u>233</u>	<u>49</u>	<u>110</u>	<u>65</u>	<u>705</u>
Net income (loss) before transfers	1,031	7	(7,011)	49	1,049	(115)	(4,990)
Transfers in	-	65	-	-	-	-	65
<b>Change in net assets</b>	1,031	72	(7,011)	49	1,049	(115)	(4,925)
Net assets - beginning, as previously reported	2,811	54	(2,850)	290	4,060	(472)	3,893
Prior period adjustment	5,137	41	-	-	-	-	5,178
Net assets - beginning, as restated	<u>7,948</u>	<u>95</u>	<u>(2,850)</u>	<u>290</u>	<u>4,060</u>	<u>(472)</u>	<u>9,071</u>
Net assets - ending	<u>\$ 8,979</u>	<u>\$ 167</u>	<u>\$ (9,861)</u>	<u>\$ 339</u>	<u>\$ 5,109</u>	<u>\$ (587)</u>	<u>\$ 4,146</u>



**County of San Mateo**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Fleet Maintenance	Tower Road Construction	Workers' Compensation	Long Term Disability	Employee Benefits	Personal Property Damage	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from quasi-external transactions	\$ 5,025	\$ 2,676	\$ 8,235	\$ 617	\$ 31,763	\$ 4,528	\$ 52,844
Cash payment to suppliers for goods and services	(1,556)	(1,025)	(1,819)	(259)	(25,810)	(2,978)	(33,447)
Cash payment to employees for services	(763)	(1,654)	-	(4)	-	-	(2,421)
Cash payment for judgments and claims	-	-	(6,348)	(7)	(3,330)	(1,384)	(11,069)
Net cash provided by (used in) operating activities	<u>2,706</u>	<u>(3)</u>	<u>68</u>	<u>347</u>	<u>2,623</u>	<u>166</u>	<u>5,907</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers received	-	65	-	-	-	-	65
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(2,045)	1	-	-	-	-	(2,044)
Interest paid	-	(3)	-	-	-	-	(3)
Net cash used in capital and related financing activities	<u>(2,045)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,047)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received on investments	271	-	263	53	121	77	785
Net cash provided by investing activities	<u>271</u>	<u>-</u>	<u>263</u>	<u>53</u>	<u>121</u>	<u>77</u>	<u>785</u>
Net increase in cash and cash equivalents	932	60	331	400	2,744	243	4,710
Cash and cash equivalents, beginning of year	2,951	16	9,358	1,975	4,398	2,619	21,317
Cash and cash equivalents, end of year	<u>\$ 3,883</u>	<u>\$ 76</u>	<u>\$ 9,689</u>	<u>\$ 2,375</u>	<u>\$ 7,142</u>	<u>\$ 2,862</u>	<u>\$ 26,027</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ 780	\$ 10	\$ (7,244)	\$ -	\$ 939	\$ (180)	\$ (5,695)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,868	8	-	-	-	-	1,876
Changes in operating assets and liabilities:							
Decrease (increase) in:							
Accounts receivable	-	(179)	-	-	-	-	(179)
Other receivables	-	78	-	-	-	-	78
Due from other funds	80	57	(1)	-	-	(1)	135
Inventories	10	-	-	-	-	-	10
Increase (decrease) in:							
Accounts payable	32	26	233	-	1,684	423	2,398
Accrued salaries and benefits	1	-	-	(4)	-	-	(3)
Accrued liabilities	-	(2)	-	-	-	-	(2)
Due to other funds	(91)	(1)	-	-	-	(67)	(159)
Refundable deposits	26	-	-	-	-	-	26
Estimated claims	-	-	7,080	351	-	(9)	7,422
Net cash provided by operating activities	<u>\$ 2,706</u>	<u>\$ (3)</u>	<u>\$ 68</u>	<u>\$ 347</u>	<u>\$ 2,623</u>	<u>\$ 166</u>	<u>\$ 5,907</u>



## Fiduciary Funds

## COUNTY OF SAN MATEO

### FIDUCIARY FUNDS

#### Trust Funds

*Investment Trust* - These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These 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. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

*Pension Trust* - This Fund, which is under the control of the Board of Retirement, accumulates contributions from the County, its employees and other participating employers, and earnings from the Fund's investments. Disbursements are made from the Fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This Fund includes all assets of the San Mateo County Employees' Retirement Association.

#### Agency Funds

The *County Library Fund* supports the County public library system in 11 of the cities in the County as well as the unincorporated areas through 12 branch libraries. Informational, cultural and recreational services are provided to the public. The Library is governed by a Joint Powers Authority, consisting of one Council Member from each of the cities served and one member of the Board of Supervisors. Property taxes provide most of the Fund's revenues.

The *Trial Courts Operation Fund* is used to account for the financial activities of the trial courts operation.

The *Unapportioned Tax Fund* accounts for property tax receipts awaiting apportionment to governmental agencies and recipient County funds.

The *Public Administrator Fund* is used to account for all of the Public Administrator's monies held by the County in a fiduciary capacity.

The *Public Guardian Fund* is used to account for all of the Public Guardian's monies held by the County in a fiduciary capacity.

The *Other Agency Fund* is used to account for assets held for other governmental agencies and governmental units by the County in a fiduciary capacity.

**County of San Mateo**  
**Combining Statement of Fiduciary Net Assets**  
**Investment Trust Funds**  
**June 30, 2001**  
**(Dollars in Thousands)**

	<u>Special Districts under Local Board</u>	<u>School Districts</u>	<u>Other Investment Trust</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 95,728	\$ 575,043	\$ 426,790	\$ 1,097,561
Interest receivables	565	3,665	2,673	6,903
Due from other funds	46	1,798	13	1,857
Due from other governmental agencies	10	-	-	10
Deposits	13	-	-	13
Other assets	80	3	-	83
Total assets	96,442	580,509	429,476	1,106,427
<b><u>LIABILITIES</u></b>				
Accounts payable	663	-	78	741
Due to other funds	6	2	-	8
Accrued liabilities	8	48	36	92
Total liabilities	677	50	114	841
<b><u>NET ASSETS</u></b>				
Net assets held in trust for investment pool participants	\$ 95,765	\$ 580,459	\$ 429,362	\$ 1,105,586

**County of San Mateo**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Investment Trust Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Special Districts under Local Board	School Districts	Other Investment Trust	Total
<b><u>ADDITIONS:</u></b>				
Contribution:				
Contribution to investment pool	\$ 162,300	\$ 1,700,356	\$ 481,979	\$ 2,344,635
Total contribution	<u>162,300</u>	<u>1,700,356</u>	<u>481,979</u>	<u>2,344,635</u>
Net investment income:				
Net appreciation in fair value of investments	8	49	16	73
Interest	322	8,391	8,475	17,188
Net investment income	<u>330</u>	<u>8,440</u>	<u>8,491</u>	<u>17,261</u>
Total additions	<u>162,630</u>	<u>1,708,796</u>	<u>490,470</u>	<u>2,361,896</u>
<b><u>DEDUCTIONS:</u></b>				
Distribution from investment pool	138,639	1,589,845	376,053	2,104,537
Total deductions	<u>138,639</u>	<u>1,589,845</u>	<u>376,053</u>	<u>2,104,537</u>
Net increase	23,991	118,951	114,417	257,359
Net assets - beginning, as previously reported	71,774	461,508	323,514	856,796
Prior period adjustment	-	-	(8,569)	(8,569)
Net assets - beginning, as restated	<u>71,774</u>	<u>461,508</u>	<u>314,945</u>	<u>848,227</u>
Net assets - ending	<u>\$ 95,765</u>	<u>\$ 580,459</u>	<u>\$ 429,362</u>	<u>\$ 1,105,586</u>

**County of San Mateo**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Balance July 1, 2000	Addition	Deletion	Balance June 30, 2001
<b><u>COUNTY LIBRARY</u></b>				
Assets:				
Cash and investments	\$ 2,191	\$ 14,257	\$ 13,224	\$ 3,224
Accounts receivable, net of allowance	-	5	-	5
Interest receivable	18	19	18	19
Tax receivable, net of allowance	941	1,694	941	1,694
Other assets	-	672	142	530
Total assets	<u>\$ 3,150</u>	<u>\$ 16,647</u>	<u>\$ 14,325</u>	<u>\$ 5,472</u>
Liabilities:				
Accounts payable	\$ 132	\$ 3,150	\$ 3,125	\$ 157
Accrued salaries and benefits	137	274	264	147
Due to other funds	9	8	9	8
Fiduciary liability	2,872	2,506	218	5,160
Total liabilities	<u>\$ 3,150</u>	<u>\$ 5,938</u>	<u>\$ 3,616</u>	<u>\$ 5,472</u>
<b><u>TRIAL COURTS OPERATION</u></b>				
Assets:				
Cash and investments	\$ 12,255	\$ 38,290	\$ 42,739	\$ 7,806
Accounts receivable, net of allowance	-	1	-	1
Interest receivable	120	76	120	76
Due from other funds	48	6	51	3
Due from other governmental agencies	140	3,063	140	3,063
Other assets	-	864	230	634
Total assets	<u>\$ 12,563</u>	<u>\$ 42,300</u>	<u>\$ 43,280</u>	<u>\$ 11,583</u>
Liabilities:				
Accounts payable	\$ 662	\$ 6,204	\$ 6,445	\$ 421
Accrued salaries and benefits	379	420	379	420
Due to other funds	2,209	1	2,209	1
Fiduciary liability	9,313	3,813	2,385	10,741
Total liabilities	<u>\$ 12,563</u>	<u>\$ 10,438</u>	<u>\$ 11,418</u>	<u>\$ 11,583</u>
<b><u>UNAPPORTIONED TAXES</u></b>				
Assets:				
Cash and investments	\$ 12,433	\$ 211,490	\$ 214,961	\$ 8,962
Due from other funds	251	241	251	241
Due from other governmental agencies	150	-	150	-
Total assets	<u>\$ 12,834</u>	<u>\$ 211,731</u>	<u>\$ 215,362</u>	<u>\$ 9,203</u>
Liabilities:				
Accounts payable	\$ -	\$ 7,468	\$ 7,465	\$ 3
Due to other funds	12,834	5,736	12,834	5,736
Fiduciary liabilities	-	3,464	-	3,464
Total liabilities	<u>\$ 12,834</u>	<u>\$ 16,668</u>	<u>\$ 20,299</u>	<u>\$ 9,203</u>

(Continued)

**County of San Mateo**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Balance July 1, 2000	Addition	Deletion	Balance June 30, 2001
<b><u>PUBLIC ADMINISTRATOR</u></b>				
Assets:				
Cash and investments	\$ 5,066	\$ 14,424	\$ 12,132	\$ 7,358
Interest receivable	50	34	50	34
Other assets	745	1,688	1,177	1,256
Total assets	<u>\$ 5,861</u>	<u>\$ 16,146</u>	<u>\$ 13,359</u>	<u>\$ 8,648</u>
Liabilities:				
Accounts payable	\$ 149	\$ 4,970	\$ 5,034	\$ 85
Accrued salaries and benefits	18	-	18	-
Due to other funds	-	21	-	21
Advances from other funds	20	-	-	20
Fiduciary liability	5,674	2,848	-	8,522
Total liabilities	<u>\$ 5,861</u>	<u>\$ 7,839</u>	<u>\$ 5,052</u>	<u>\$ 8,648</u>
 <b><u>PUBLIC GUARDIAN</u></b>				
Assets:				
Cash and investments	\$ 33,964	\$ 38,786	\$ 53,362	\$ 19,388
Interest receivable	334	135	334	135
Other receivables	117	-	60	57
Due from other funds	6	45	6	45
Deposits	121	-	121	-
Other assets	13,398	23,688	-	37,086
Total assets	<u>\$ 47,940</u>	<u>\$ 62,654</u>	<u>\$ 53,883</u>	<u>\$ 56,711</u>
Liabilities:				
Accounts payable	\$ 2	\$ 49	\$ 50	\$ 1
Accrued liabilities	106	-	106	-
Due to other funds	643	350	643	350
Advances from other funds	50	-	-	50
Deposits	59	74	-	133
Fiduciary liability	47,080	9,097	-	56,177
Total liabilities	<u>\$ 47,940</u>	<u>\$ 9,570</u>	<u>\$ 799</u>	<u>\$ 56,711</u>

(Continued)

**County of San Mateo**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

	Balance July 1, 2000	Addition	Deletion	Balance June 30, 2001
<b><u>OTHER AGENCY</u></b>				
Assets:				
Cash and investments	\$ 56,365	\$ 3,780,662	\$ 3,762,163	\$ 74,864
Accounts receivable, net of allowance	10,217	2,104	1,165	11,156
Interest receivable	1,013	766	1,013	766
Tax receivables, net of allowance	91,186	139,753	87,413	143,526
Advances receivable	-	5	4	1
Other receivables	4	5,204	5,170	38
Due from other funds	13,193	5,685	15,473	3,405
Due from other governmental agencies	446	398	446	398
Deposits	-	4	-	4
Other assets	361	663	780	244
Total assets	<u>\$ 172,785</u>	<u>\$ 3,935,244</u>	<u>\$ 3,873,627</u>	<u>\$ 234,402</u>
Liabilities:				
Accounts payable	\$ 564	\$ 2,884,930	\$ 2,885,007	\$ 487
Accrued salaries and benefits	980	392,094	392,091	983
Accrued liabilities	78	231,712	231,663	127
Due to other funds	90	-	90	-
Due to other governmental agencies	446	398	446	398
Advances from other funds	56	-	56	-
Fiduciary liability	170,571	135,662	73,826	232,407
Total liabilities	<u>\$ 172,785</u>	<u>\$ 3,644,796</u>	<u>\$ 3,583,179</u>	<u>\$ 234,402</u>
<b><u>TOTALS</u></b>				
Assets:				
Cash and investments	\$ 122,274	\$ 4,097,909	\$ 4,098,581	\$ 121,602
Receivables:				
Accounts, net of allowance	10,217	2,110	1,165	11,162
Interest	1,535	1,030	1,535	1,030
Tax, net of allowance	92,127	141,447	88,354	145,220
Advance	-	5	4	1
Other	121	5,204	5,230	95
Due from other funds	13,498	5,977	15,781	3,694
Due from other governmental agencies	736	3,461	736	3,461
Deposits	121	4	121	4
Other assets	14,504	27,575	2,329	39,750
Total assets	<u>\$ 255,133</u>	<u>\$ 4,284,722</u>	<u>\$ 4,213,836</u>	<u>\$ 326,019</u>
Liabilities:				
Accounts payable	\$ 1,509	\$ 2,906,771	\$ 2,907,126	\$ 1,154
Accrued salaries and benefits	1,514	392,788	392,752	1,550
Accrued liabilities	184	231,712	231,769	127
Due to other funds	15,785	6,116	15,785	6,116
Due to other governmental agencies	446	398	446	398
Advances from other funds	126	-	56	70
Deposits	59	74	-	133
Fiduciary liability	235,510	157,390	76,429	316,471
Total liabilities	<u>\$ 255,133</u>	<u>\$ 3,695,249</u>	<u>\$ 3,624,363</u>	<u>\$ 326,019</u>





Capital Assets Used  
in the Operation of  
Governmental Funds

## **COUNTY OF SAN MATEO**

### **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**County of San Mateo**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules By Source**  
**June 30, 2001 and 2000**  
**(Dollars in Thousands)**

	2001	2000
Governmental funds capital assets:		
Land	\$ 47,801	\$ 47,767
Easements	6,689	6,687
Structures and improvements	313,866	125,738
Equipment	39,494	35,889
Infrastructure	97,048	92,025
Construction in progress	51,513	5,806
Total governmental funds capital assets	\$ 556,411	\$ 313,912
Investments in governmental funds capital assets by source:		
General fund	\$ 78,855	\$ 76,165
Special revenue fund	114,031	108,101
Capital projects fund	363,362	129,646
Donations	163	-
Total governmental funds capital assets	\$ 556,411	\$ 313,912

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**County of San Mateo**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**June 30, 2001**  
**(Dollars in Thousands)**

<u>Function and Activity</u>	<u>Land</u>	<u>Easements</u>	<u>Structures and Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
<b>General government:</b>							
Board of supervisors	\$ -	\$ -	\$ 1,082	\$ -	\$ -	\$ -	\$ 1,082
County manager	-	-	1,066	55	-	-	1,121
Assessor/clerk	-	-	12,559	1,907	-	-	14,466
Controller	-	-	4,786	763	-	-	5,549
Tax collector/treasurer	-	-	3,968	478	-	-	4,446
County counsel	-	-	1,711	-	-	-	1,711
Employee & public services	-	-	1,714	1,785	-	-	3,499
Information services	-	-	14,933	13,645	-	-	28,578
Public works	-	-	6,303	7,892	-	-	14,195
Motor Pool	-	-	-	109	-	-	109
Utilities	224	700	49	489	21,234	-	22,696
Food Services	-	-	-	194	-	-	194
Non-departmental	47,577	-	20,963	-	-	50,006	118,546
Total general government	<u>47,801</u>	<u>700</u>	<u>69,134</u>	<u>27,317</u>	<u>21,234</u>	<u>50,006</u>	<u>216,192</u>
<b>Public protection:</b>							
District Attorney	-	-	36,497	910	-	-	37,407
Sheriff	-	-	73,557	3,283	-	-	76,840
Probation	-	-	11,096	274	-	-	11,370
Coroner	-	-	-	53	-	-	53
Environmental services	-	-	90	47	-	-	137
Fire protection	-	-	1,093	2,980	-	349	4,422
Planning and building	-	-	495	109	-	-	604
Total public protection	<u>-</u>	<u>-</u>	<u>122,828</u>	<u>7,656</u>	<u>-</u>	<u>349</u>	<u>130,833</u>
<b>Public Ways:</b>							
Street system	-	5,988	-	-	75,814	1,158	82,960
Total public ways	<u>-</u>	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>75,814</u>	<u>1,158</u>	<u>82,960</u>
<b>Health and sanitation:</b>							
Health administration	-	-	12,161	195	-	-	12,356
Emergency medical services	-	-	2,907	684	-	-	3,591
In-home support services	-	-	1,150	-	-	-	1,150
Environmental health	-	-	660	365	-	-	1,025
Mental health	-	-	20,350	21	-	-	20,371
Public health	-	-	18,250	579	-	-	18,829
AIDS program	-	-	3,110	-	-	-	3,110
Total health and sanitation	<u>-</u>	<u>-</u>	<u>58,588</u>	<u>1,844</u>	<u>-</u>	<u>-</u>	<u>60,432</u>
<b>Public assistance:</b>							
Aging and adult	-	-	24,244	42	-	-	24,286
H S A administration	-	-	-	1,185	-	-	1,185
Housing & community services	-	-	965	14	-	-	979
Income maintenance	-	-	5,033	-	-	-	5,033
Vocational rehabilitation	-	-	551	486	-	-	1,037
Alcohol and drug services	-	-	976	22	-	-	998
Youth and family services	-	-	9,572	69	-	-	9,641
Total public assistance	<u>-</u>	<u>-</u>	<u>41,341</u>	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>43,159</u>
<b>Recreation:</b>							
Parks	-	1	21,975	859	-	-	22,835
Total recreation	<u>-</u>	<u>1</u>	<u>21,975</u>	<u>859</u>	<u>-</u>	<u>-</u>	<u>22,835</u>
<b>Total governmental funds capital assets</b>	<u>\$ 47,801</u>	<u>\$ 6,689</u>	<u>\$ 313,866</u>	<u>\$ 39,494</u>	<u>\$ 97,048</u>	<u>\$ 51,513</u>	<u>\$ 556,411</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**County of San Mateo**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the Fiscal Year Ended June 30, 2001**  
**(Dollars in Thousands)**

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets</u>			<u>Governmental Funds Capital Assets</u>
	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2001</u>
<b>General government:</b>				
Board of supervisors	\$ 1,076	\$ 10	\$ 4	\$ 1,082
County manager	1,304	25	208	1,121
Assessor/clerk	14,296	228	58	14,466
Controller	5,394	155	34	5,515
Tax collector/treasurer	4,408	72	-	4,480
County counsel	1,701	10	-	1,711
Employee & public services	3,110	1,434	1,045	3,499
Information services	26,667	2,095	184	28,578
Public works	13,659	712	176	14,195
Motor Pool	119	-	10	109
Utilities	22,481	248	33	22,696
Food Services	186	12	4	194
Non-departmental	98,976	20,514	944	118,546
Total general government	<u>193,377</u>	<u>25,515</u>	<u>2,700</u>	<u>216,192</u>
<b>Public protection:</b>				
District Attorney	37,390	264	247	37,407
Sheriff	76,304	811	275	76,840
Probation	11,181	219	30	11,370
Coroner	112	46	105	53
Environmental services	147	-	10	137
Fire protection	3,906	516	-	4,422
Planning and building	601	3	-	604
Total public protection	<u>129,641</u>	<u>1,859</u>	<u>667</u>	<u>130,833</u>
<b>Public Ways:</b>				
Street system	77,823	5,137	-	82,960
Total public ways	<u>77,823</u>	<u>5,137</u>	<u>-</u>	<u>82,960</u>
<b>Health and sanitation:</b>				
Health administration	12,344	12	-	12,356
Emergency medical services	3,586	5	-	3,591
In-home support services	1,149	1	-	1,150
Environmental health	940	85	-	1,025
Mental health	20,316	55	-	20,371
Public health	18,843	53	67	18,829
AIDS program	3,104	6	-	3,110
Total health and sanitation	<u>60,282</u>	<u>217</u>	<u>67</u>	<u>60,432</u>
<b>Public assistance:</b>				
Aging and adult	24,241	45	-	24,286
H S A administration	786	437	38	1,185
Housing & community services	951	28	-	979
Income maintenance	1,277	48	-	1,325
Vocational rehabilitation	4,258	15	-	4,273
Alcohol and drug services	1,455	15	-	1,470
Youth and family services	9,624	17	-	9,641
Total public assistance	<u>42,592</u>	<u>605</u>	<u>38</u>	<u>43,159</u>
<b>Recreation:</b>				
Parks	22,720	127	12	22,835
Total recreation	<u>22,720</u>	<u>127</u>	<u>12</u>	<u>22,835</u>
Total governmental funds capital assets	<u>\$ 526,435</u>	<u>\$ 33,460</u>	<u>\$ 3,484</u>	<u>\$ 556,411</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



# **STATISTICAL SECTION**

**County of San Mateo**  
**Government-wide Expenses By Function**  
**Governmental Activities**  
**Fiscal Year Ended June 30, 2001**  
**(Dollars In Thousands)**

<u>Function</u>	<u>Amount</u>	<u>Percentage of Total</u>
General Government	\$ 50,942	8.91
Public Protection	191,195	33.45
Public Ways and Facilities	15,611	2.73
Health and Sanitation	142,654	24.95
Public Assistance	149,934	26.23
Education	179	0.03
Recreation	7,277	1.27
Interest on Long-Term Debt	<u>13,866</u>	<u>2.43</u>
Total	<u>\$ 571,658</u>	<u>100.00</u>

Source: County Controller's Office

**County of San Mateo  
Government-wide Revenues  
Governmental Activities  
Fiscal Year Ended June 30, 2001  
(Dollars In Thousands)**

<b>Program Revenues</b>	<u>Amount</u>	<u>Percentage of Total</u>
Charges for Services	\$ 110,672	16.41
Operating Grants and Contributions	320,699	47.54
Capital Grants and Contributions	140	0.02
 <b>General Revenues</b>		
Taxes:		
Property Taxes	\$ 130,871	
Property Transfer Taxes	5,534	
Sales and Use Taxes	18,243	
Transient Occupancy Taxes	766	
Aircraft Taxes	1,166	
Other	<u>1,776</u>	
	158,356	23.48
Motor Vehicle In-lieu Taxes	44,814	6.64
Unrestricted Interest and Investment Earnings	28,049	4.16
Miscellaneous	<u>11,819</u>	<u>1.75</u>
Total Program and General Revenues	<u>\$ 674,549</u>	<u>100.00</u>

Source: County Controller's Office

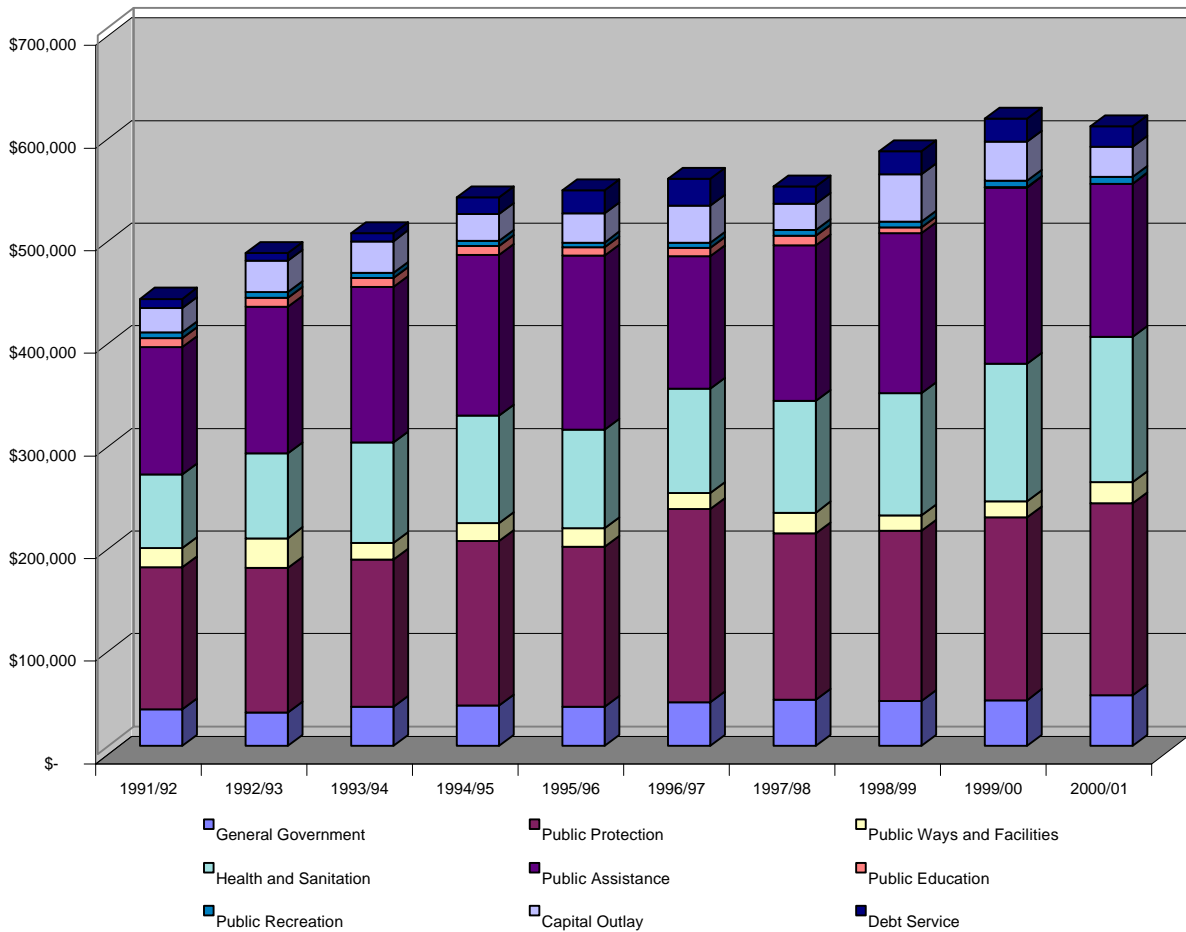




General Fund

**County of San Mateo**  
**General Governmental Expenditures By Function (1)**  
**All Governmental Fund Types**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways and Facilities</u>	<u>Health and Sanitation</u>	<u>Public Assistance</u>	<u>Education</u>	<u>Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1991/92	\$ 35,453	\$ 138,220	\$ 18,805	\$ 71,925	\$ 124,205	\$ 8,721	\$ 5,609	\$ 23,392	\$ 9,129	\$ 435,459
1992/93	32,443	140,948	28,802	82,928	142,823	8,671	5,425	30,645	7,243	479,928
1993/94	37,855	143,643	15,881	98,130	151,509	8,524	5,290	30,736	7,573	499,141
1994/95	39,075	160,527	17,244	104,657	156,665	8,597	5,223	25,963	16,458	534,409
1995/96	37,861	155,878	17,945	96,294	169,435	8,068	4,872	28,611	22,389	541,353
1996/97	42,141	188,657	15,495	101,421	129,215	8,229	5,046	35,919	26,007	552,130
1997/98	44,811	162,311	20,033	108,679	151,800	9,194	5,501	25,948	16,827	545,104
1998/99	43,233	166,206	15,044	118,811	156,236	5,274	5,914	46,107	22,503	579,328
1999/00	44,420	177,912	15,921	134,028	171,723	185	6,182	38,414	22,238	611,023
2000/01	49,311	187,004	20,505	141,622	149,100	183	6,773	29,126	20,021	603,645

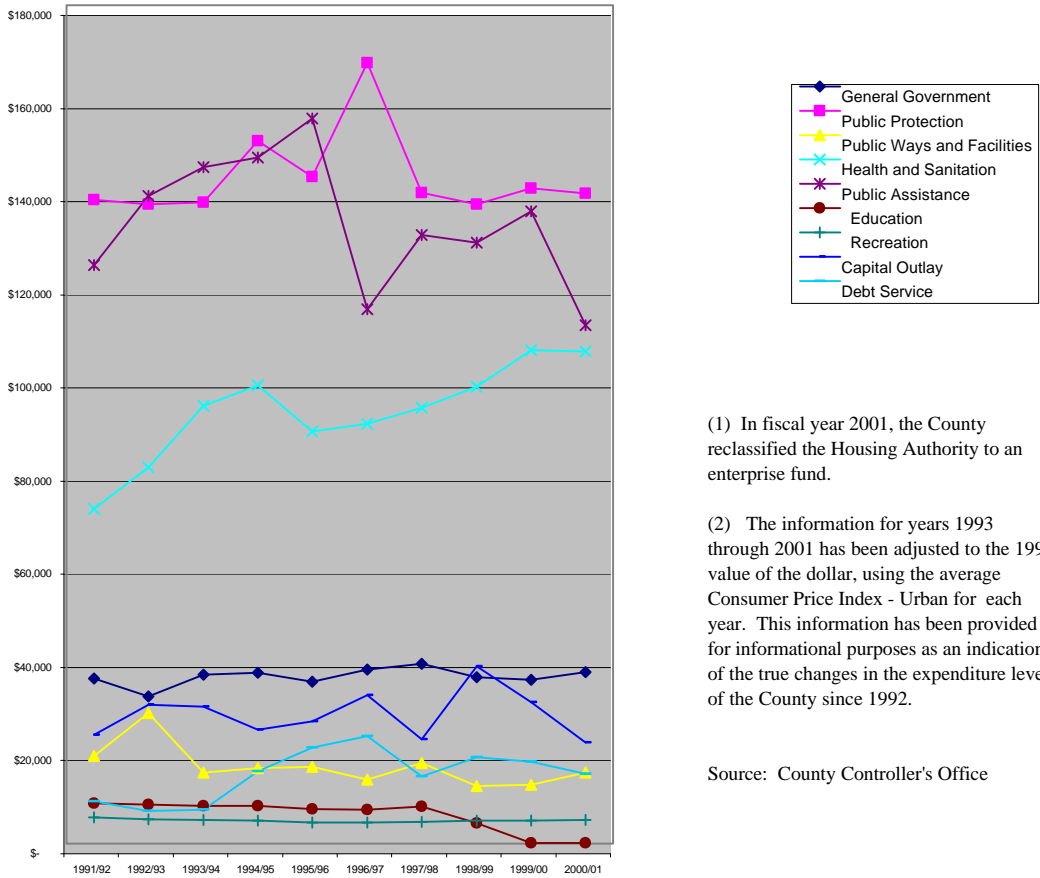


(1) In Fiscal Year 2001, the County reclassified the Housing Authority to an enterprise fund.

Source: County Controller's Office

**County of San Mateo**  
**General Governmental Expenditures By Function - Constant Dollar Value (1)**  
**All Governmental Fund Types**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

Fiscal Year	General Government	Public Protection	Public Ways and Facilities	Health and Sanitation	Public Assistance	Education	Recreation	Capital Outlay	Debt Service	Total
1991/92	\$ 35,453	\$ 138,220	\$ 18,805	\$ 71,925	\$ 124,205	\$ 8,721	\$ 5,609	\$ 23,392	\$ 9,129	\$ 435,459
1992/93	31,600	137,287	28,054	80,774	139,113	8,446	5,284	29,849	7,055	467,462
1993/94	36,277	137,654	15,219	94,038	145,192	8,169	5,069	29,454	7,257	478,329
1994/95	36,729	150,891	16,209	98,375	147,261	8,081	4,909	24,405	15,470	502,330
1995/96	34,785	143,215	16,487	88,471	155,670	7,413	4,476	26,287	20,570	497,374
1996/97	37,438	167,604	13,766	90,103	114,795	7,311	4,483	31,911	23,105	490,516
1997/98	38,583	139,754	17,249	93,576	130,704	7,916	4,737	22,342	14,489	469,350
1998/99	35,714	137,301	12,428	98,148	129,065	4,357	4,885	38,088	18,589	478,575
1999/00	35,127	140,691	12,590	105,988	135,796	146	4,889	30,377	17,586	483,190
2000/01	36,809	139,592	15,306	105,716	111,298	137	5,056	21,742	14,945	450,601

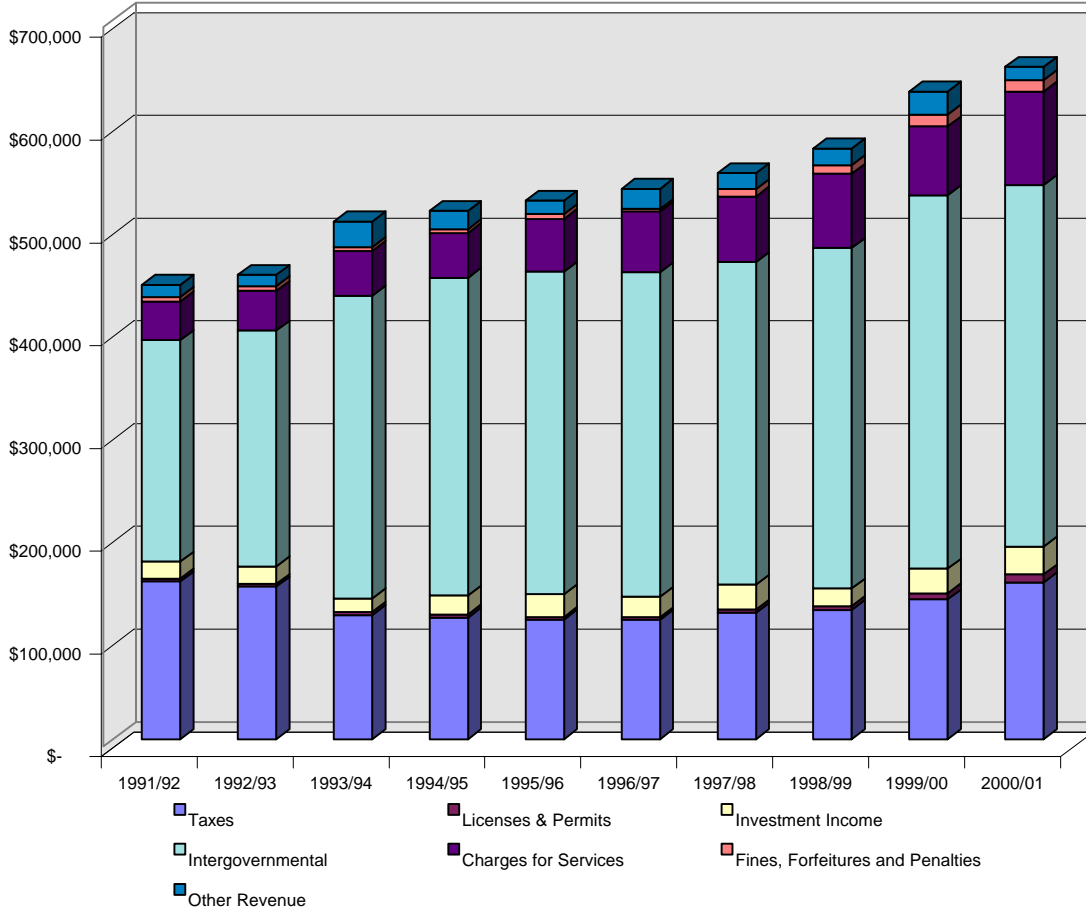


- (1) In fiscal year 2001, the County reclassified the Housing Authority to an enterprise fund.
- (2) The information for years 1993 through 2001 has been adjusted to the 1992 value of the dollar, using the average Consumer Price Index - Urban for each year. This information has been provided for informational purposes as an indication of the true changes in the expenditure level of the County since 1992.

Source: County Controller's Office

**County of San Mateo**  
**General Governmental Revenues By Source (1)**  
**All Governmental Fund Types**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Use of Money and Property</b>	<b>Inter-governmental</b>	<b>Charges For Services</b>	<b>Fines, Forfeitures and Penalties</b>	<b>Other Revenue</b>	<b>Total</b>
1991/92	\$ 153,583	\$ 2,693	\$ 16,572	\$ 215,558	\$ 37,418	\$ 4,672	\$ 11,563	\$ 442,059
1992/93	148,470	2,612	17,165	229,445	38,502	4,719	10,990	451,903
1993/94	120,880	3,052	12,980	294,716	43,653	3,512	25,082	503,875
1994/95	118,301	3,240	18,150	309,461	43,458	3,893	17,538	514,041
1995/96	116,487	2,426	22,093	313,837	51,326	4,881	12,890	523,940
1996/97	116,039	2,592	20,082	315,663	59,123	2,470	19,764	535,733
1997/98	123,070	3,162	24,116	314,056	63,717	7,110	15,545	550,776
1998/99	125,733	3,716	17,300	331,205	72,386	8,330	16,027	574,697
1999/00	135,970	6,079	23,954	363,420	66,842	11,626	22,363	630,254
2000/01	152,469	7,786	27,325	351,795	90,972	11,127	12,882	654,356

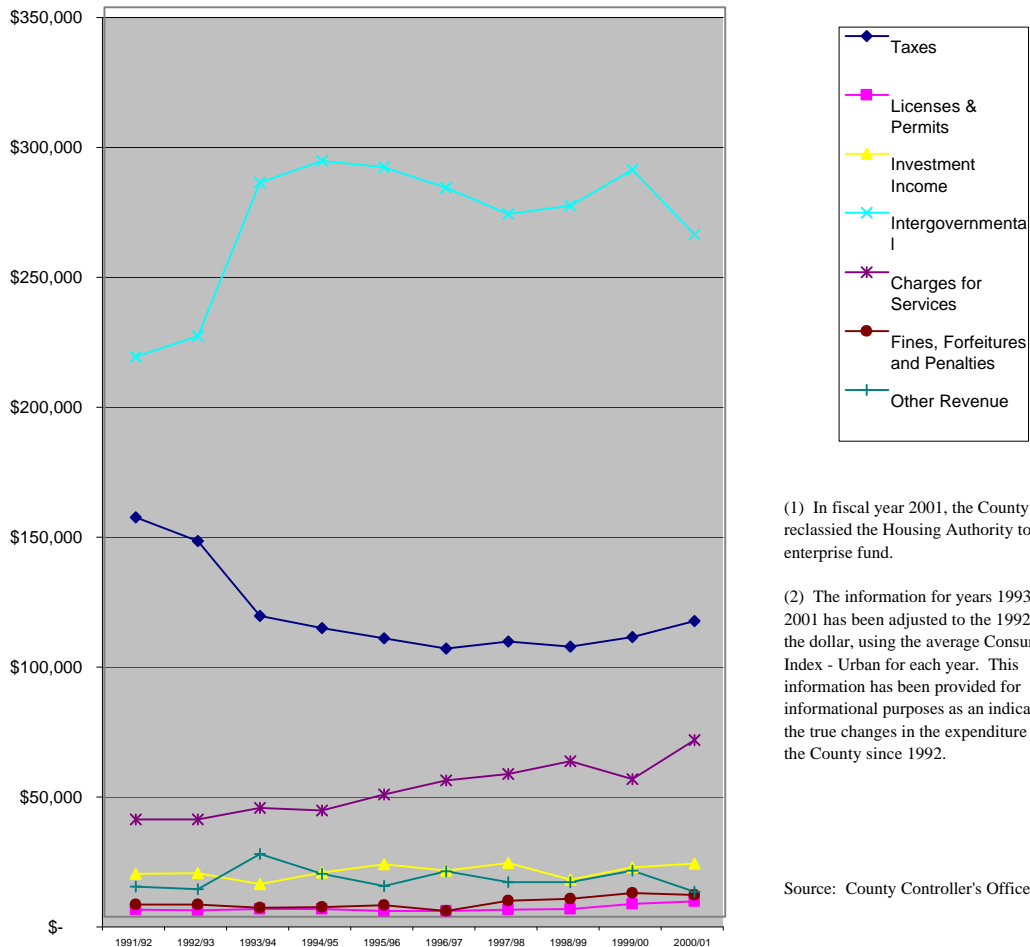


(1) In Fiscal Year 2001, the County reclassified the Housing Authority to an enterprise fund.

Source: County Controller's Office

**County of San Mateo**  
**General Governmental Revenues By Source - Constant Dollar Value (1)**  
**All Governmental Fund Types**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Use of Money and Property</b>	<b>Inter-governmental</b>	<b>Charges For Services</b>	<b>Fines, Forfeitures and Penalties</b>	<b>Other Revenue</b>	<b>Total</b>
1991/92	\$ 153,583	\$ 2,693	\$ 16,572	\$ 215,558	\$ 37,418	\$ 4,672	\$ 11,563	\$ 442,059
1992/93	144,614	2,544	16,719	223,485	37,502	4,596	10,705	440,165
1993/94	115,840	2,925	12,439	282,428	41,833	3,366	24,036	482,867
1994/95	111,200	3,046	17,061	290,885	40,849	3,659	16,485	483,185
1995/96	107,024	2,229	20,298	288,342	47,156	4,484	11,843	481,376
1996/97	103,090	2,303	17,841	280,436	52,525	2,194	17,558	475,947
1997/98	105,967	2,723	20,765	270,411	54,862	6,122	13,385	474,235
1998/99	103,866	3,070	14,291	273,604	59,797	6,881	13,240	474,749
1999/00	107,523	4,807	18,943	287,388	52,858	9,194	17,684	498,397
2000/01	113,813	5,812	20,397	262,602	67,907	8,306	9,616	488,453



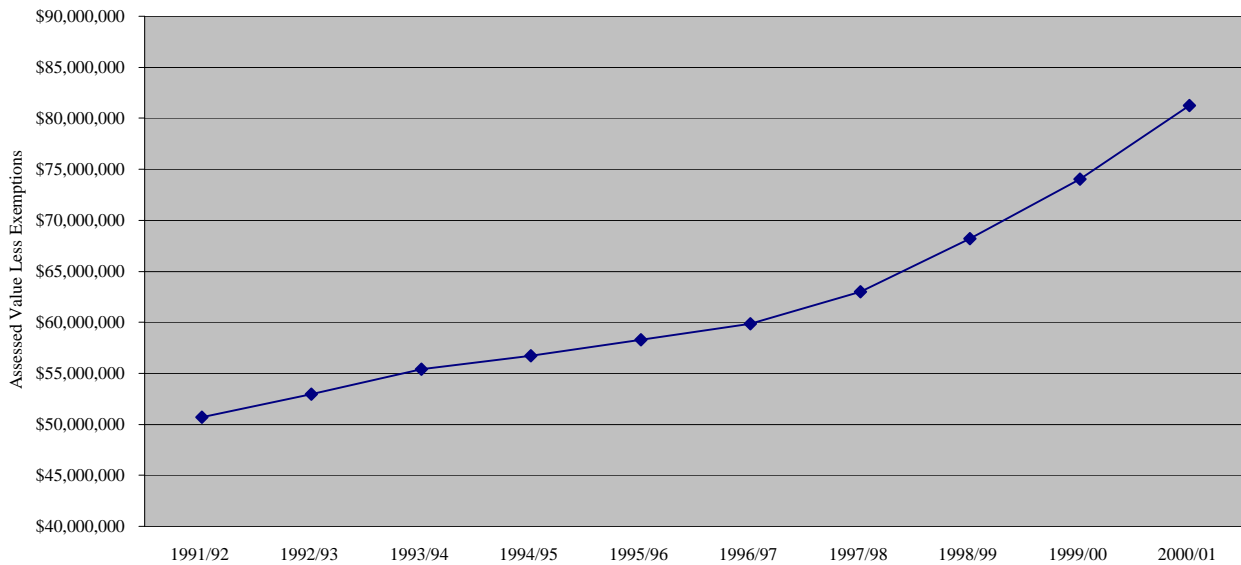
(1) In fiscal year 2001, the County reclassified the Housing Authority to an enterprise fund.

(2) The information for years 1993 through 2001 has been adjusted to the 1992 value of the dollar, using the average Consumer Price Index - Urban for each year. This information has been provided for informational purposes as an indication of the true changes in the expenditure level of the County since 1992.

Source: County Controller's Office

**County of San Mateo  
Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(Dollars in Thousands)**

Fiscal Year	Assessed Value					Assessed Value Less Exemptions	Net Increase	
	Land	Improvements	Personal Property	Total	Exemptions		Amount	Percentage
1991/92	\$ 17,254,535	\$ 29,709,362	\$ 4,782,044	\$ 51,745,941	\$ 2,137,498	\$ 49,608,443	\$ 2,892,140	6.2
1992/93	18,226,256	30,821,279	5,064,503	54,112,038	2,247,765	51,864,273	2,255,830	4.5
1993/94	19,286,944	31,740,656	5,549,457	56,577,057	2,283,008	54,294,049	2,429,776	4.7
1994/95	20,091,729	32,333,105	5,522,456	57,947,290	2,355,848	55,591,442	1,297,393	2.4
1995/96	20,885,722	33,211,707	5,518,896	59,616,325	2,399,481	57,216,844	1,625,402	2.9
1996/97	21,588,762	34,095,034	5,506,158	61,189,954	2,420,565	58,769,389	1,552,545	2.7
1997/98	22,903,356	35,630,836	5,866,439	64,400,631	2,502,633	61,897,998	3,128,609	5.3
1998/99	24,984,417	37,877,826	6,795,063	69,657,306	2,542,875	67,114,431	5,216,433	8.4
1999/00	27,524,696	41,465,238	6,594,451	75,584,385	2,669,020	72,915,365	5,800,934	8.6
2000/01	30,536,574	44,861,648	7,450,029	82,848,251	2,727,954	80,120,297	7,204,932	9.9



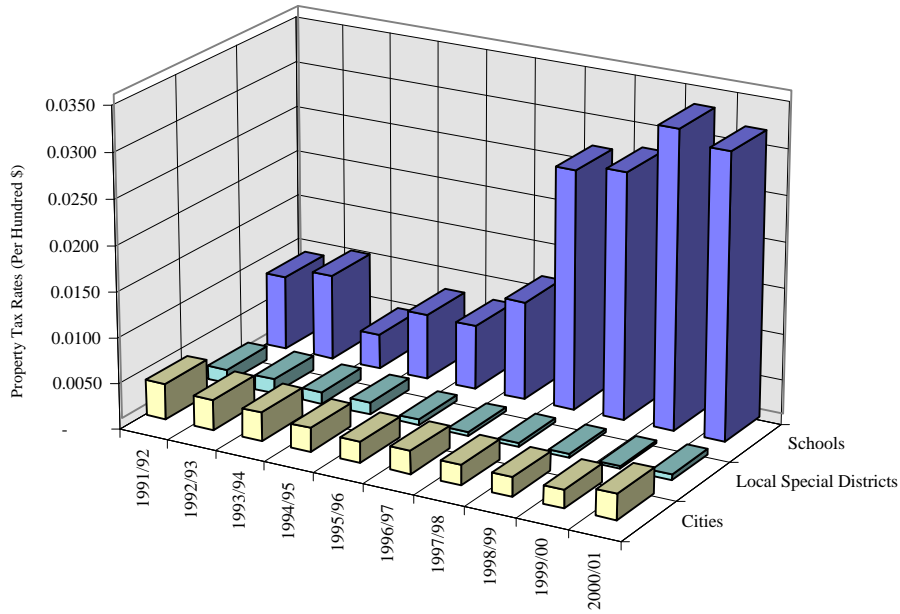
**Note:** Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:

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

Source: County of San Mateo - Assessor's Office

**County of San Mateo  
Property Tax Rates  
Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Countywide Tax</b>	<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	<b>Total</b>
1991/92	1.0000	0.0015	0.0081	0.0039	1.0135
1992/93	1.0000	0.0016	0.0093	0.0033	1.0142
1993/94	1.0000	0.0013	0.0038	0.0031	1.0082
1994/95	1.0000	0.0013	0.0071	0.0026	1.0110
1995/96	1.0000	0.0006	0.0070	0.0023	1.0099
1996/97	1.0000	0.0004	0.0107	0.0025	1.0136
1997/98	1.0000	0.0004	0.0261	0.0022	1.0287
1998/99	1.0000	0.0004	0.0269	0.0021	1.0294
1999/00	1.0000	0.0003	0.0325	0.0020	1.0348
2000/01	1.0000	0.0006	0.0311	0.0028	1.0345



**Note:** California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed valuation.

Source: County of San Mateo Assessor's Office

**County of San Mateo  
Property Taxes Levies and Collections  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Dollars in Thousands)**

<u>Fiscal Year</u>	<u>County</u>	<u>Local Special Districts</u>	<u>Schools</u>	<u>Cities</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>
1991/92	\$505,385	\$663	\$3,651	\$1,094	\$510,793	\$491,230
1992/93	508,624	702	4,301	934	514,561	490,757
1993/94	479,274	615	2,098	1,550	483,537	474,539
1994/95	490,628	580	3,609	1,348	496,165	486,049
1995/96	504,702	360	4,029	1,230	510,321	501,723
1996/97	517,947	207	6,136	1,390	525,680	525,493
1997/98	544,959	194	14,982	1,324	561,459	553,732
1998/99	590,190	217	18,375	1,342	610,124	605,415
1999/00	640,788	186	23,307	1,356	665,637	638,601
2000/01	704,974	324	24,864	2,071	732,233	726,243

**Note:** This schedule shows the property tax levies and collections by major group of taxing agencies.

Source: County of San Mateo Assessor's Office



**County of San Mateo  
Principal Taxpayers  
Year Ended June 30, 2001  
(Dollars in Thousands)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2000-01 Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
United Airlines	Air Carrier	\$2,395,732	2.990
Genentech, Inc.	Bio-Technology	645,519	0.806
Speiker Properties	Real Estate	585,567	0.731
Pacific Gas & Electric	Public Utility	497,714	0.621
American Airlines	Air Carrier	447,268	0.558
Sun Microsystems	Computer Products	440,940	0.550
Oracle	Computer Products	435,398	0.543
Pacific Bell	Public Utility	353,693	0.441
HMC Burlingame Hotel	Hotelier	246,204	0.307
Delta Airlines	Air Carrier	<u>187,528</u>	<u>0.234</u>
Total Assessed Valuation		<u><u>\$6,235,563</u></u>	<u><u>7.781</u></u>

Source: County of San Mateo Assessor's Office

**County of San Mateo**  
**Computation of Direct and Overlapping Bonded Debt**  
**June 30, 2001**  
**(Dollars in Thousands)**

2000/01 Assessed Valuation (included unitary utility valuation)		\$ 80,120,297
Less: Redevelopment Incremental Valuation		<u>5,877,705</u>
Adjusted Assessed Valuation		<u>\$ 74,242,592</u>
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>% Applicable</b>	<b>Debt 06/30/01</b>
Jefferson and Sequoia Union High School Districts	100.00%	\$ 70,800
Cabrillo Unified School District	100.00%	32,081
South San Francisco Unified School District	100.00%	37,685
San Mateo Union High School District	100.00%	60,000
Laguna Salada School District	100.00%	29,962
Redwood City School District	100.00%	42,965
San Mateo-Foster City School District	100.00%	88,796
Other School Districts	100.00%	131,425
Cities	100.00%	28,720
San Mateo Parking District	100.00%	490
Estero Municipal Improvement District	100.00%	21,390
Redwood City General Improvement District No. 1-64	100.00%	10,070
Midpeninsula Regional Open Space Park	30.47%	3,413
Other Special Districts	100.00%	120
Community Facilities Districts	100.00%	26,190
1915 Act Special Assessment Bonds	100.00%	<u>80,774</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>664,881</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>		
San Mateo County General Fund Obligations	100.00%	254,364
San Mateo County Board of Education Certificates of Participation	100.00%	5,315
San Mateo County Flood Control District Certificates of Participation	100.00%	15,385
San Mateo Community College District Certificates of Participation	100.00%	29,399
City of Burlingame General Fund Obligations	100.00%	22,925
City of Redwood City General Fund Obligations	100.00%	31,070
Other City General Fund Obligations	100.00%	60,236
Midpeninsula Regional Park District Certificates of Participation	30.47%	30,838
San Mateo County Mosquito Abatement District Certificate of Participation	100.00%	2,275
Sanitary District Certificates of Participation	100.00%	<u>1,426</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		453,233
Less: City of Burlingame Certificates of Participation		14,655
Montara Sanitary District Certificates of Participation		<u>410</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>438,168</u>
GROSS COMBINED TOTAL DEBT		<u>\$ 1,118,114 (1)</u>
NET COMBINED TOTAL DEBT		<u>\$ 1,103,049</u>
<b>RATIOS TO ASSESSED VALUATION:</b>		
Total Overlapping Tax and Assessment Debt		0.83%
<b>RATIOS TO ADJUSTED ASSESSED VALUATION:</b>		
Combined Direct Debt (\$269,749) - approximately \$381 (absolute dollars) per capita		0.36%
Gross Combined Total Debt		1.51%
Net Combined Total Debt		1.49%
<b>STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/01</b>		<u>\$ 1,363</u>

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue, tax allocation bonds, and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**County of San Mateo**  
**Computation of Legal Debt Margin**  
**June 30, 2001**  
**(Dollars In Thousands)**

Fiscal Year	Adopted Total County Budget
1995-1996	\$ 712,678
1996-1997	719,011
1997-1998	769,600
1998-1999	837,519
1999-2000	932,258
Five-year average	794,213
Debt limit %	4.0%
FY 2000-01 debt service limit	31,769
Less: Amount of debt applicable to debt service limit	19,316
Legal debt margin	\$ 12,453

**Note:** The County Ordinance No. 3773 required the Board of Supervisors establish by resolution the County debt service limit annually. The debt service limit shall not exceed 4% of the average annual County budget for the current and the preceding four fiscal years. The debt service limit shall be non-voter approved debt that is the obligation of the County.

Source: County Manager's Office

**County of San Mateo  
Schedule of Insurance in Force  
June 30, 2001  
(Dollars In Thousands)**

<b>Coverage</b>	<b>Face Amount</b>	
<b>Fire</b>		
Buildings and Contents - All Locations - All Risk	\$ 459,227	Per Occurrence
Replacement Value	\$ 100	Deductible
<b>Boiler</b>		
Boiler and Machinery - All Pressure Vessels	\$ 15,000	Per Occurrence
	\$ 2.5	Deductible
<b>Crime</b>		
Money and Securities	\$ 500	On and off premises
	\$ 5,000	Forgery
	\$ 20	Deductible
Employee Blanket Bond - Faithful Performance	\$ 10,000	Per Occurrence
- Fidelity	\$ 10,000	Excess of Faithful Performance
	\$ 20	Deductible
<b>Liability</b>		
Comprehensive General and Auto Liability	\$ 40,000	Per Claim and Aggregate
	\$ 250	Self-Insured Retention
Medical Malpractice	\$ 40,000	Per Claim and Aggregate
	\$ 10	Deductible
Workers' Compensation	Statutory	(No Specific Limit)
	\$ 350	Self-Insured Retention
<b>Fiduciary Liability</b>		
San Mateo County Employees' Retirement Association	\$ 10,000	Per Occurrence and Annual Aggregate
	\$ 1	Deductible
Aircraft Liability	\$ 50,000	Per Occurrence
Airport/Hanger Keeper's Legal Liability	\$ 50,000	Per Occurrence and Aggregate
Marina Operator's Legal Liability	\$ 5,000	Per Occurrence and Aggregate
	\$ 500	Deductible

Source: County of San Mateo, Risk Management Department

**County of San Mateo  
Demographic Statistics  
Last Ten Fiscal Years**

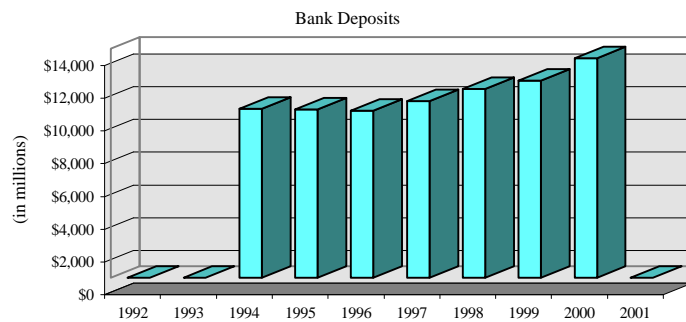
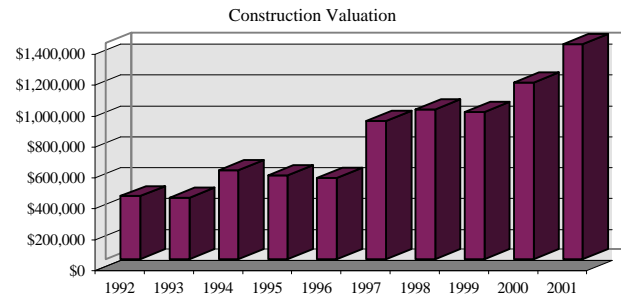
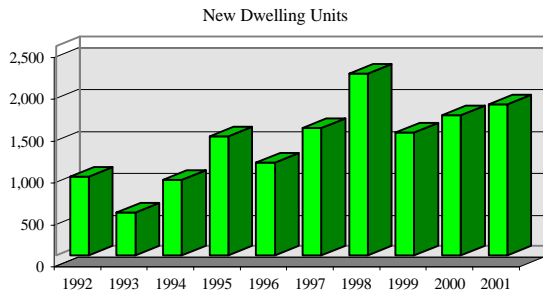
<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (2)</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate % (4)</u>
1991/92	670,400	31,985	N/A	82,887	5.1%
1992/93	676,100	32,857	N/A	85,206	5.0%
1993/94	681,700	33,994	N/A	86,583	4.7%
1994/95	659,700	36,162	36.0	88,064	4.2%
1995/96	698,000	39,413	N/A	89,850	3.4%
1996/97	711,700	41,567	N/A	91,954	2.7%
1997/98	721,400	43,338	N/A	92,763	2.4%
1998/99	727,300	N/A	N/A	92,825	2.1%
1999/00	707,161	(5)	N/A	(5)	2.0%
2000/01	N/A	N/A	N/A	91,206	1.6%

Source:

- (1) State Department of Finance
- (2) Association of Bay Area Governments (California)
- (3) State Department of Education and San Mateo County Office of Education
- (4) State of California, Employment Development Department
- (5) 2000 U.S. Census
- N/A Not Available

**County of San Mateo  
Construction and Bank Deposits  
Last Ten Fiscal Years  
(Dollars In Thousands)**

Fiscal Year	New Dwelling Units (1)		Construction Valuation		Bank Deposits (2)
	Single Family	Multiple Family	Residential (1)	Non-Residential (1)	
1991/92	342	596	\$251,469	\$156,763	N/A
1992/93	421	89	229,828	166,773	N/A
1993/94	599	301	283,457	291,961	\$10,323,409
1994/95	717	707	330,871	211,575	10,273,142
1995/96	673	432	302,251	223,216	10,223,902
1996/97	922	597	424,466	470,272	10,806,308
1997/98	988	1,187	545,702	421,845	11,521,817
1998/99	837	629	515,218	437,069	12,040,333
1999/00	838	833	476,690	665,973	13,403,000
2000/01	849	955	579,110	810,635	N/A



Source: (1) Construction Industry Research Board  
(2) Federal Deposit Insurance Corporation  
N/A - Not Available

**County of San Mateo  
Miscellaneous Statistical Information  
June 30, 2001**

**Geographical Location:** South of San Francisco in the Bay Area.  
Bordered by the City/County of San Francisco on the North,  
by the Pacific Ocean on the West and South,  
by the San Francisco Bay on the East,  
by the County of Santa Clara on the South East, and  
by the County of Santa Cruz on the South South East.

**Altitude:** Sea level to 2,417 feet at Sierra Morena

**Date of Incorporation:** April 19, 1856

**Governed by:** Five Member Board of Supervisors

**Area:** 447 Square miles with 20 incorporated cities and  
the San Francisco International Airport

**County Seat:** Redwood City

**Roads:** 320.52 miles of County maintained streets and  
roads in the unincorporated areas

<b>Registered Voters:</b>	<u>March 1996 Primary Election</u>	<u>November 1996 General Election</u>	<u>June 1998 Primary Election</u>	<u>November 1998 General Election</u>	<u>March 2000 Primary Election</u>	<u>November 2000 General Election</u>
Democrats	170,277	184,444	174,279	166,899	160,802	171,184
Republicans	103,459	107,088	99,180	95,333	89,709	92,702
Other (including decline to state)	<u>43,114</u>	<u>63,550</u>	<u>63,287</u>	<u>62,885</u>	<u>64,677</u>	<u>74,347</u>
Total registered voters	316,850	355,082	336,746	325,117	315,188	338,233
Number Voting	148,727	254,429	150,967	210,282	181,190	226,198
Percent Voting	46.9%	71.7%	44.8%	64.7%	57.5%	66.8%

**County employees at January 1:**

<u>Year</u>	<u>Number of Employees</u>	<u>Percent of Increase (Decrease)</u>	<u>Employees Per Thousand of Population</u>
1992	4,806	(1.0)	7.2
1993	4,762	(0.9)	7.0
1994	4,596	(3.5)	6.7
1995	4,716	2.6	6.8
1996	4,760	0.9	6.8
1997	4,693	(1.4)	6.6
1998	4,749	1.2	6.6
1999	4,535	(4.5)	6.2
2000	4,598	1.4	6.3
2001	4,578	(0.4)	6.5

Source: County Controller's Office