OneShoreline
Building Solutions for a Changing Climate

Board of Directors Finance Committee Meeting

This meeting will be held remotely, with no physical meeting location, pursuant to Government Code Section 54953(e). Members of the public may join the meeting by video by clicking on the following link:

https://oneshoreline-org.zoom.us/j/81658746661

To join the meeting by phone, call: 669-444-9171, Meeting ID: 816 5874 6661, Passcode: 109649

AGENDA November 23, 2026 4:00 PM

1. **Roll Call**

2. **Public Comment** Persons wishing to address the Committee on District-related matters not on this Agenda may speak for up to two minutes; comments on Agenda items shall be heard during that item for up to two minutes.

3. **Action to Set the Agenda**

4. **Regular Business**

   A. With OneShoreline's auditor, discuss the Audited Financial Statements for the July 1, 2025 – June 30, 2026 Fiscal Year (attached)

   B. With the OneShoreline's investment advisor, discuss the performance of OneShoreline's portfolio *

5. **Adjournment**

* There are no documents associated with this item

Meeting information, public access and communications

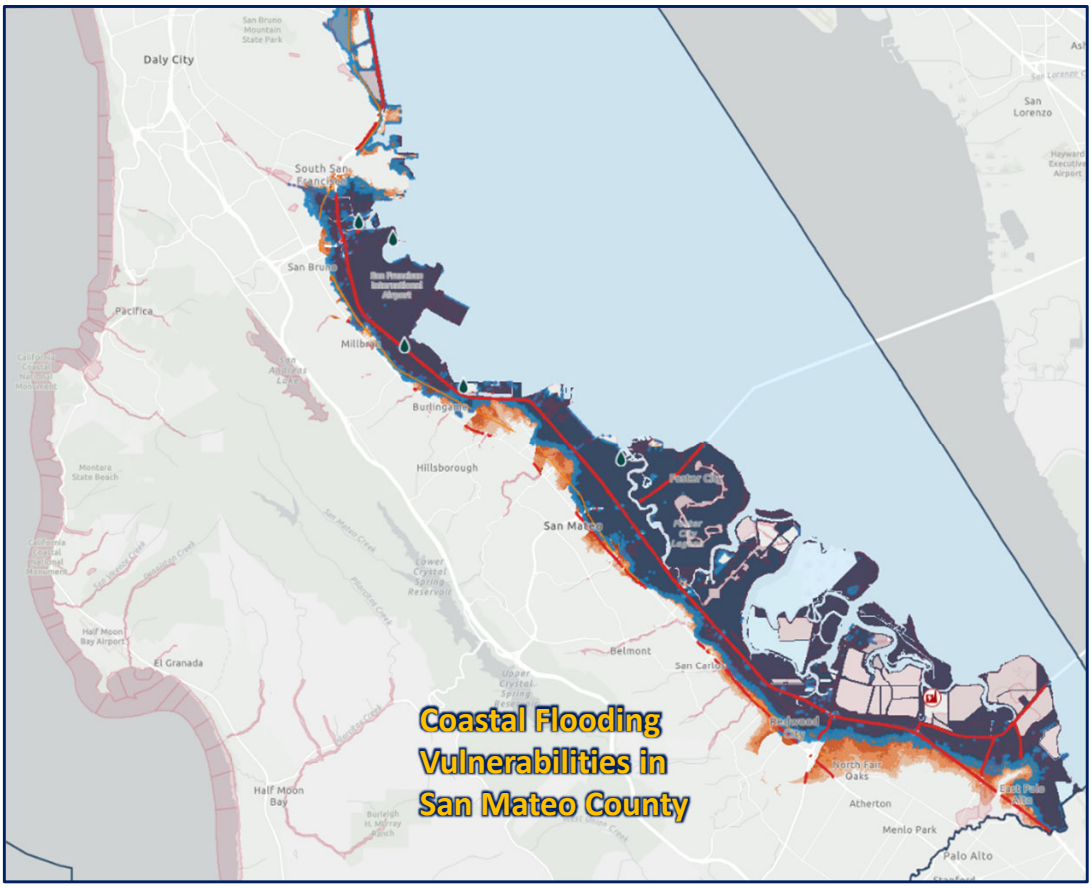
- During the meeting, public comment can be submitted at the appropriate time via Zoom Chat or by raising your hand, speaking if joining by phone, or email to board@OneShoreline.org prior to 8:00 a.m. on the meeting day; please indicate the agenda item to which your comment applies and it will be read or summarized at the meeting by the Board Clerk.
- If you require assistance to participate in the meeting or wish to submit a written communication to all Board Members regarding the meeting, please contact the Clerk of the Board by 8:00 am on the day of the meeting.
- Public records relating to an open session item on the agenda are available at least 72 hours prior to a Regular Board meeting or at least 24 hours prior to a Special Board meeting when these records are distributed to Board members. Public records are available at the District office at 1700 South El Camino Real, Suite 502, San Mateo, CA 94402 and at OneShoreline.org. To receive these documents electronically, please email board@OneShoreline.org.

San Mateo County Flood and Sea Level Rise Resiliency District
San Mateo, California

Annual Comprehensive Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2026

November 23, 2026 Draft



PREPARED BY THE FINANCE AND ADMINISTRATION DEPARTMENT

OneShoreline
Building Solutions for a Changing Climate

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November 6, 2026

BOARD OF DIRECTORS

City Representatives:
Debbie Ruddock – Chair
Donna Colson
Adam Rak
Kaia Eakin
Marie Chuang

County Supervisors:
Lisa Gauthier – Vice Chair
Ray Mueller

CHIEF EXECUTIVE OFFICER
Len Materman

To the OneShoreline Board of Directors and the Residents of San Mateo County, California:

The Annual Comprehensive Financial Report (ACFR) of the San Mateo County Flood and Sea Level Rise Resiliency District (also known as OneShoreline) for the fiscal year ended June 30, 2026, is hereby published.

OneShoreline's management is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe this report is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of OneShoreline, and that all disclosures necessary to enable the reader to gain the maximum understanding of OneShoreline's financial activity have been included. Readers should refer to the Management's Discussion and Analysis in the audited financial statements included in the Financial Section of the ACFR for a detailed discussion regarding OneShoreline's financial condition and results of operations.

OneShoreline's auditors, Macias Gini & O'Connell LLP, have issued an unmodified (clean) opinion on OneShoreline's financial statements for the year ended June 30, 2026. The Independent Auditor's Report is located at the front of the Financial Section of this report.

The ACFR follows the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). OneShoreline will submit this ACFR to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program for the first time since its establishment.

THE REPORTING ENTITY

About OneShoreline

The **San Mateo County Flood and Sea Level Rise Resiliency District**, also known as OneShoreline, is an independent government agency (special district) working throughout San Mateo County, California, and across local jurisdictional boundaries to secure and leverage public and private resources for the long-term resilience of our region. We plan and build solutions to mitigate the climate change-related impacts of sea level rise, flooding, and coastal erosion, as well as to enhance the environment, recreational opportunities, and quality of life within communities throughout the county.

San Mateo County includes urban, suburban, and rural areas within its approximately 750 square miles and contains 20 cities on the San Francisco Peninsula. Most of its 748,182 residents live in the suburban corridor east of the Santa Cruz Mountains, which bisect the County. Due to the intensity of development in low-lying areas close to (or in some cases, below) sea level, the County faces serious flood risk from storm events and high tides—a problem that is accelerating with sea level rise. According to the County's Sea Level Rise Vulnerability Assessment, located within the current FEMA 100-year floodplain (i.e., without future sea level rise) are over 4,200 acres of urbanized or industrial lands and 4,800 acres of natural lands; with 3 meters (approximately 9.8 feet) of future sea level rise, the number of urban acres at risk of flooding increases by a factor of ten.

In terms of financial losses along the shoreline due to climate change, San Mateo County is the most vulnerable county in California. By 2100, it is estimated that over 40% of our land could be adversely affected by these issues. This challenge acts irrespective of jurisdictional boundaries, and far exceeds the capabilities of a single agency to face alone. By working together through OneShoreline, local governments, residents, and businesses can integrate their planning, design, permitting, and project implementation to create a resilient San Mateo County to mitigate the increasing impacts of climate change.

OneShoreline is governed by a seven-member Board of Directors. Two board members serve on the San Mateo County Board of Supervisors, and five serve on different city or town councils that govern municipalities throughout the county.

Our History

1959: State legislation established the San Mateo County Flood Control District to address flooding challenges in several specific flood prone areas called "flood zones."

2015: The County's Civil Grand Jury issued a Report, "Flooding Ahead: Planning for Sea Level Rise," that posed the question: "What actions can the County of San Mateo, and the 20 cities and two relevant local special agencies within the county, take now to plan for sea level rise?" It answered this question by recommending "that a single organization undertake sea level rise planning on a countywide basis."

2016: The County established a Flood Resilience Program that developed a Memorandum of Understanding (MOU) to plan three potential projects: Bayfront Canal/Atherton Channel (MOU with Menlo Park, Redwood City, and Atherton); Belmont Creek (MOU with Belmont and San Carlos); and Navigable Slough (MOU with San Bruno and South San Francisco).

March 2018: A large meeting called "Floods, Droughts, Rising Seas, Oh My!" brought together regional experts and policymakers to discuss San Mateo County water management challenges and opportunities. There, (then) Congresswoman Jackie Speier highlighted the need for a countywide agency to address the challenges of flooding, sea level rise, and coastal erosion. This agency would allow San Mateo County and its 20 cities to: (1) coordinate the planning and implementation of projects across jurisdictional lines, which enables uniform levels of protection and the sharing of technical information and resources, and (2) create a broad and unified vision and voice that would position the new regional agency and its projects to obtain funding and regulatory permits.

April 2018: The City/County Association of Governments of San Mateo County (C/CAG) Countywide Water Coordination Committee began to develop a proposal to form a countywide agency to address sea level rise, flooding, coastal erosion, and regional stormwater infrastructure. After analyzing various potential approaches to the agency, the Water Coordination Committee recommended that new State legislation expand the mission, geographic reach, and governing Board of the 1959 San Mateo County Flood Control District to create a new special district with objectives and powers that matched the climate change threats. This legislation, Assembly Bill 825 (Mullin), was signed into law in September 2019.

January 1, 2020: The San Mateo County Flood and Sea Level Rise Resiliency District (OneShoreline) began operating.

PRIORITIES, ACCOMPLISHMENTS AND MAJOR PROJECTS

Priorities

San Mateo County is already experiencing the water-related impacts of climate change, including extreme storms, drought, coastal erosion, and flooding. Studies by other agencies and universities show that sea level rise threatens more people and property here than in any other county in California. Accordingly, OneShoreline was established by State legislation in 2019 as the first independent government agency in California to work across jurisdictional boundaries to plan for, and build regional resilience to, climate change. OneShoreline is currently focused on four priorities:

Priority 1: Plan land use, private development, and public infrastructure for future climate conditions in coordination with regional resilience projects

Regional resilience rests on jurisdictions evaluating and approving new developments and infrastructure projects with future—rather than historical—climate conditions in mind. OneShoreline's *Planning Policy Guidance* (2023) contains template text for general plans and zoning ordinances, as well as information on development agreements and project reviews, to help jurisdictions ensure that private and public assets can function for their intended lifespans and contribute to community resilience without the need for costly retrofits later. In 2026, we are developing new guidance focused on future-conditions planning for key public infrastructure assets (stormwater and wastewater/water recycling systems, roads, parks, marinas, and utilities).

Priority 2: Advance projects that align long-term resilience for developed, natural, and recreational areas across jurisdictions; and economic resilience for property owners and renters

OneShoreline is advancing a number of projects on the Bayside of San Mateo County to build long-term resilience in our region, including the Millbrae and Burlingame Shoreline Resilience Project; San Bruno Creek Resilience Project; a watershed plan and suite of capital projects in the Colma Creek Flood Zone; shoreline resilience plans for Brisbane and for the five southern Bayside cities of East Palo Alto, Menlo Park, Redwood City, San Carlos, and Belmont to help these cities meet State requirements for shoreline adaptation planning; resilience for the critical wastewater treatment plant serving Half Moon Bay and communities to the north; and a pilot project for homeowners to address their vulnerabilities and increasing insurance costs associated with flooding and wildfires.

Priority 3: Provide early warning of, and reduce the impact of, today's extreme storms made worse by rising tides

OneShoreline continues to operate, maintain, and expand the countywide Flood Early Warning System – an integrated network of stream, precipitation, and tide gauges to monitor flood risk in real time for the general public and emergency responders, to alert emergency responders of impending flooding, and to provide data to develop flood protection projects. Improvements and expansion of the Flood Early Warning System are an ongoing effort. Additionally, permits that OneShoreline holds from state and federal environmental regulatory agencies enable OneShoreline and other local and regional agencies (under OneShoreline permits) to remove debris in the most flood-prone creeks along the Bayside.

Priority 4: Develop ongoing funding streams to build our collective resilience

The above three priorities reflect the need to address some of the most pressing challenges associated with climate change in our county. As this need is only going to grow, we are obliged to secure stable funding to enable OneShoreline to continue this work and to leverage outside project financing.

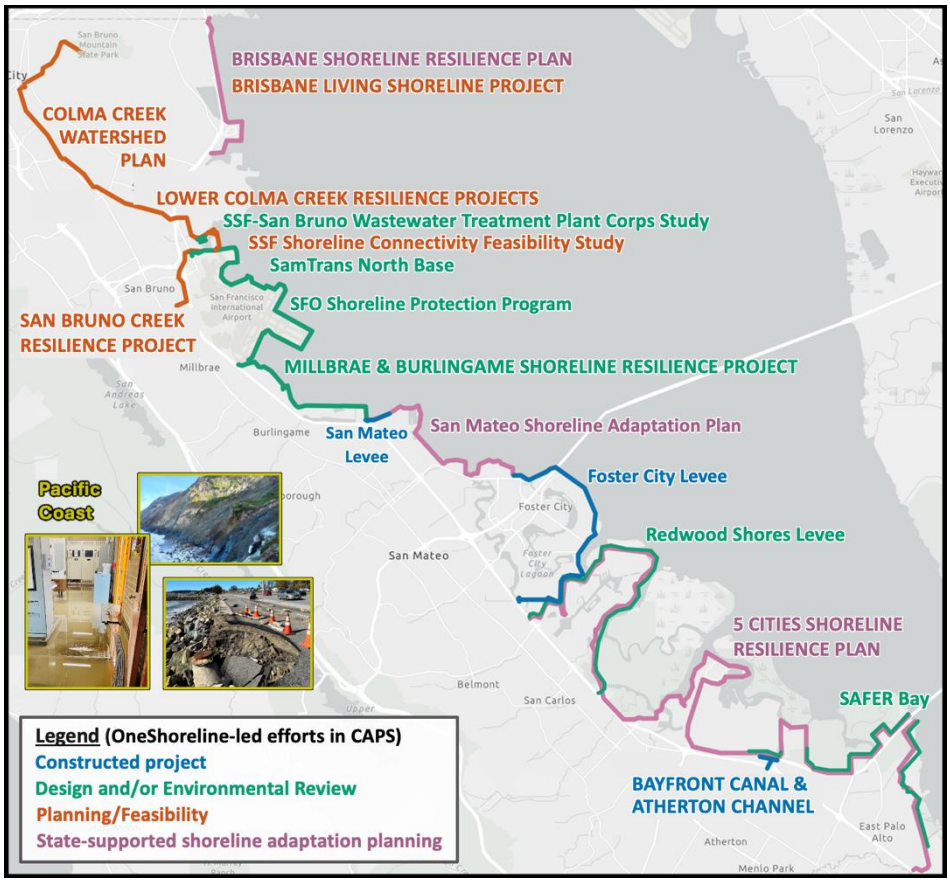
Accomplishments and Major Projects to Date

Hired Staff and Established Independent Financial Systems, Policies, and Procedures for a New Government Agency

A well-run government agency requires a supportive and collaborative governing body and dedicated, competent staff. Within OneShoreline's first two months of operation, the Board of Directors hired its first CEO, who in turn hired project and finance staff who established new, independent financial systems for long-term efficiency and growth. Evidence of sound financial stewardship is the fact that OneShoreline has extended three years of start-up funding for operations from all jurisdictions in the county to support a decade of operations (through at least 2030), and it has provided millions of dollars to local initiatives and capital projects to reduce climate threats and enhance the environment. In 2025-26, OneShoreline hired two highly qualified project managers to oversee aspects of the following projects.

An overview of resilience efforts in San Mateo County.

(Pacific Coast images show a flooded wastewater treatment plant building, an eroding hillside with of an exposed landfill, and erosion along Highway 1.)



Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project

This project protects five mobile home parks and other housing and businesses near Bayfront Canal and Atherton Channel from frequent and damaging flooding. Local agencies began planning this project in 2009, with OneShoreline assuming the role of lead agency in January 2020. Over the next 15 months, OneShoreline completed California Environmental Quality Act (CEQA) documents and secured permits, land rights, and funding through an agreement among Redwood City, the County, Menlo Park, and Atherton. Construction of this $9.5 million project began in May 2021 and was completed in 2022 – on schedule and within budget. By diverting flows from Bayfront Canal to ponds managed by the U.S. Fish and Wildlife Service during major storm events, the new underground culvert system has reduced flooding in vulnerable areas during major storms.

A joint operations plan establishes the roles and responsibilities of OneShoreline, the City of Redwood City, and the U.S. Fish and Wildlife Service (USFWS) during storms to clear debris from the system's trash rack and ensure the structure's effectiveness for subsequent storms.



A device to capture trash before floodwaters are diverted from nearby communities to U.S. Fish and Wildlife Service ponds is part of the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project.

Also during the wet season, OneShoreline directs the use of water control structures that Redwood City staff operate and maintain. Since the project began operating in late 2022, this diversion of approximately 930 acre-feet to the ponds represents a critical increase in channel capacity for flood-prone communities.

Throughout FY25-26, OneShoreline worked with USFWS and project partners on its operation, maintenance, and monitoring, and completed the second of five years of required post-construction mitigation activities and reports for permitting agencies. Pond water levels are now being managed higher than originally planned for on-site mitigation, and OneShoreline staff continue to coordinate with project partners and regulators on options to meet the changing requirements.

Millbrae and Burlingame Shoreline Resilience Project (MBSRP) The cities of Millbrae and Burlingame include a low-lying and densely developed shoreline area; San Francisco International Airport (SFO) is north of Millbrae, which is immediately north of Burlingame.





Two types of flood hazards threaten people and property in this area:

1. Flooding from San Francisco Bay due to storm surge and high tides, which increases during El Niño years and with sea level rise; and
2. Inland flooding during major rainfall events that overwhelm local creeks and storm drain systems, exacerbated by high tides.

These flood hazards threaten critical and regionally significant infrastructure in Millbrae, Burlingame, and adjacent areas that serve the larger Bay Area and beyond, including SFO, two wastewater treatment plants, U.S. Highway 101, a rail corridor and intermodal transportation center, and electrical distribution facilities valued at several billion dollars and supporting thousands of jobs. Public access along the Bay shoreline in the project area is also limited: where segments of the San Francisco Bay Trail exist, some have unsafe and degraded conditions that will worsen with sea level rise, and there are critical gaps in the Bay Trail throughout the project area. Without intervention, sea level rise will convert the remaining beaches and marshes to open water.

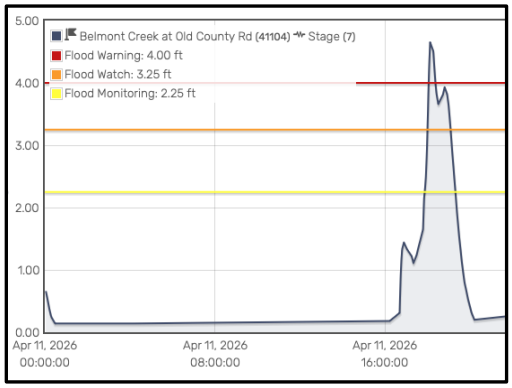
To advance adaptation in this area, OneShoreline is advancing a large regional project to bring long-term resilience against sea level rise and extreme storms for developed, natural, and public access areas, with funding from the State Coastal Conservancy and Federal Emergency Management Agency (FEMA).

In September 2025, OneShoreline convened a "Nature-Based Measures Workshop" with regulators and shoreline resilience experts, as part of its ongoing engagement with regulatory agencies to help ensure the project can be permitted in a timely fashion. The project team refined the project alternatives based on feedback from regulatory agency staff and completed an Administrative Draft Environmental Impact Report (EIR) in December 2025 as part of the CEQA process. OneShoreline solicited feedback from Millbrae and Burlingame staff in early 2026 and worked to align the project with the City of Burlingame's Bayfront Specific Plan development. Updated project alternatives were presented to the Burlingame and Millbrae City Councils in December 2025 and March 2026, respectively. OneShoreline staff also provided project updates to SFO leadership and environmental groups throughout FY25-26.

In FY26-27, OneShoreline is on track to finalize the 30% design for the preferred project, complete regulatory and other stakeholder consultations, and complete an EIR. During the public comment period, OneShoreline will conduct community and stakeholder engagement activities to inform the EIR process, share project updates, and gather input on design and implementation.

Expanded and Maintained Flood Early Warning System

OneShoreline's countywide Flood Early Warning System (FEWS) is an integrated network of stream, precipitation, and tide gauges for monitoring flood risk in real time. This system serves as an alert system and collects data to develop protection projects. The FEWS website, OneShoreline.org/flood-warning, is accessible to emergency responders and the public with a map of gauge locations and dashboards of easily digestible information. The figure at right is an example of the information available to the public.



In FY25-26, OneShoreline expanded the FEWS by installing a new signal repeater and precipitation gauge at Skylawn Memorial Park, facilitating new stations along the Pacific coast and improving signal reliability, as well as installing a new stream gauge on Atherton Channel near Alameda de las Pulgas.

OneShoreline also advanced planning for a new stream gauge on Pilarcitos Creek in Half Moon Bay, with installation to follow once land rights are secured.

Beyond expansion, OneShoreline maintained the system throughout FY25-26 by procuring equipment and managing station operations, the online interface, and alerts. OneShoreline coordinated with local jurisdictions to identify lead contacts for system alerts, and to improve sensitivity and accuracy based on lessons learned from recent flood events. Going forward, we plan to work with city and County emergency response staff to ground-truth flood extents, identify gaps, and calibrate sensors and alerts.

We are also leading a coordination effort for data sharing and cross-county support during storm events with FEWS operators in San Mateo, Santa Cruz, Santa Clara, and Alameda Counties.

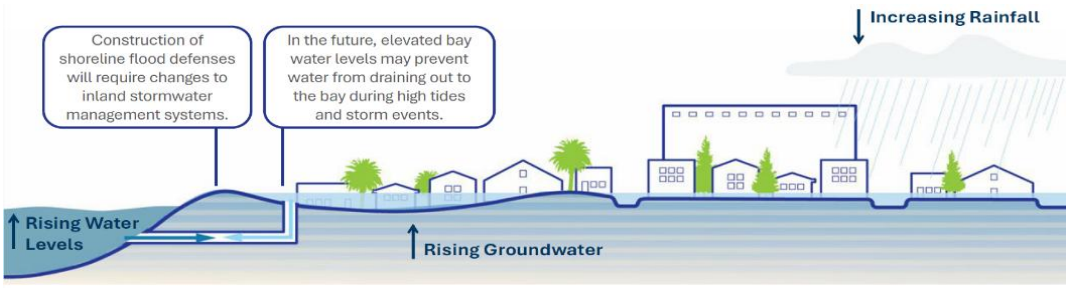
Secured Multi-year Permits for Debris Removal from Flood-prone Bayside Creeks

Since OneShoreline was established in January 2020, "atmospheric river" storms have caused substantial flooding along many creeks throughout San Mateo County. Intense rainfall and extreme tides/storm surge, coupled with limited creek flow capacity, were leading causes of this flooding. Removing built-up debris from creeks can help reduce flood risks today and in the future. Debris management in creeks requires state and federal regulatory permits, and regional permits are more efficient than pursuing a separate set of permits for each creek. Thus, immediately following widespread flooding in the winter 2022–23, OneShoreline began work to secure 5-year permits to remove debris from four of the county's tidally influenced, most flood-prone creeks impacting six cities and unincorporated County area.

During FY25-26, OneShoreline successfully secured those permits, which authorize the removal of sediment from flood-prone reaches of San Bruno Creek, Belmont Creek, Cordilleras Creek, and Atherton Channel. OneShoreline-led sediment removal took place on San Bruno Creek in October 2025. Caltrans completed initial sediment removal on Belmont Creek at U.S. Highway 101, and OneShoreline staff are continuing discussions with agencies and local jurisdictions on implementing permitted routine maintenance in other channels (some of this work was completed in the fall of 2026).

Resilient Public Infrastructure Guidance

In June 2023, OneShoreline's Board adopted a first-of-its-kind Planning Policy Guidance, a voluntary resource for the twelve San Mateo County cities directly impacted by the Bay, as well as the County itself, to help ensure that new private development along the shoreline aligns with regional sea level rise resilience efforts. Like private development, the public infrastructure our communities rely upon must also be resilient to future conditions driven by extreme precipitation, coastal erosion, sea level rise, and rising shallow groundwater. Accordingly, OneShoreline began developing countywide guidance for public infrastructure in FY24-25 to ensure that climate risks are integrated into the planning and design of public infrastructure.



Public infrastructure needs to be resilient to sea level rise, inland flooding caused by intense rainfall, and rise in groundwater levels.

This new guidance, tentatively titled the *OneShoreline Resilient Public Infrastructure Guidance*, will provide reasonable, clear, and specific process and design guidance for San Mateo County, its twenty cities and towns, and local asset owners and service providers, helping them account for climate hazards in the policies and processes used to plan, design, site, and approve critical infrastructure. The first part of the Public Infrastructure Guidance will focus on three infrastructure types: stormwater conveyance and retention systems, wastewater and water recycling systems, and roadways.

Two Asset Advisory Groups (AAGs) participate in the effort: one focused on stormwater and roads, the other on wastewater treatment and water recycling systems. Participants include staff from multiple cities, multiple County departments, the San Mateo Resource Conservation District, the Bay Area Clean Water Agencies, and the Caltrans Adaptation Planning Branch. In 2026, OneShoreline and its consultants developed an Administrative Draft of the guidance, incorporating input previously gathered from AAG members. The project team is now revising this draft, and a Public Draft is anticipated for release in early 2027.

Colma Creek

OneShoreline coordinates and facilitates management around Colma Creek through the Colma Creek Flood Zone, established by the County in 1964 and inherited by OneShoreline in 2020. The Colma Creek Watershed spans approximately 16.6 square miles and includes portions of the cities of Colma, Daly City, Pacifica, San Bruno, and South San Francisco. Characterized by steep coastal headwaters, urban areas, and tidal influence near the Bay, Colma Creek presents complex challenges for flood management and coastal resilience. Existing flood management facilities were designed for decades-old weather patterns with approaches popular at that time. This infrastructure cannot accommodate today's storms and tides, let alone future climate-fueled conditions and does not fit with present day priorities for trails and environmental values. Addressing these challenges requires local governments updating policies and planning frameworks, and abiding by these policies, coupled with investments in projects that have future conditions mindset.

Routine Maintenance

While OneShoreline plans for the future, it must maintain the old infrastructure that provides some protection. Fall 2025 routine maintenance on Colma Creek included 400 cubic yards of sediment removal upstream of Produce Avenue, 1,500 linear feet of targeted vegetation maintenance and debris removal in the vicinity of the Chestnut Avenue Bridge, concrete spalling repair, and exercising 32 flap gates between Spruce Avenue and Produce Avenue. Culvert repair and replacement work between Airport Boulevard and Utah Avenue was completed in October 2024 with installations of gaskets completed. Additionally, a master services agreement with San Mateo County Public Works has ended in June 2026 which provided support for routine maintenance and operations of OneShoreline assets and responsibilities. To facilitate this work moving forward OneShoreline has procured the services of contractors to provide on-call infrastructure maintenance support, environmental compliance, and site work across OneShoreline's facilities.

Planning and Design

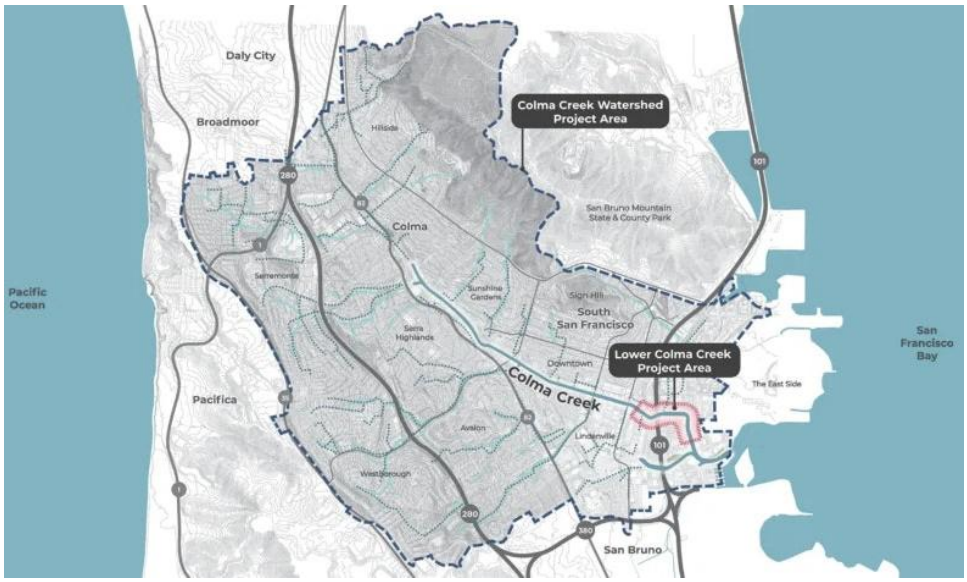
OneShoreline continues to advance two related efforts: the Colma Creek Watershed Plan and Lower Colma Creek Resilience Projects.





Much of Colma Creek is an aged concrete channel designed for historic storm conditions rather than current or future ones and does not support thriving habitats.

The Colma Creek Watershed Plan will serve as a blueprint to transform Colma Creek into a vital community asset nourished by a healthy watershed building on local plans and studies while advancing new strategies to address the pressing challenges of flooding and sea level rise. The work will identify and prioritize projects, programs, and policies that improve public health and safety, enhance habitat, improve water quality and supply, and expand public access and connection to the creek, advancing ideas and priorities expressed by community members that result in actions that reflect regional needs and local aspirations.



Areas covered by the Colma Creek Watershed Plan and Lower Colma Creek Resilience Projects.

The Lower Colma Creek Resilience Projects will reduce sea level rise and flooding risks, improve public safety, and expand public access along Colma Creek from San Mateo Avenue to Utah Avenue in South San Francisco. Infrastructure resilience planning will prioritize changes that improve flood management, support native species habitat, improve water quality, and provide opportunities for surrounding communities to recreate and connect with the Creek.

In FY25-26, OneShoreline convened joint Working Group meetings for the two efforts to present project progress and collect feedback from key stakeholders. Working group members include representatives from the Cities of South San Francisco, Colma, San Bruno, Daly City, and Pacifica, as well as the Association of Ramaytush, San Bruno Mountain Watch, Rise South City, and Save the Bay. Project progress was also presented to the Colma Creek Citizen Advisory Committee, which is comprised of elected officials from each of the five cities within the Colma Creek Watershed and property owners in the Colma Creek Flood Zone. In FY26-27, OneShoreline will continue to advance both efforts and begin public outreach to residents and business owners in the area.

San Bruno Creek

The lower San Bruno Creek watershed is a highly urbanized, low-lying area shaped by extensive land use changes and complex, multi-jurisdictional infrastructure. Over the last century, this landscape has been significantly altered by urbanization and infrastructure development, including Bay fill for the construction of Mills Field (now SFO), installation of rail lines and highways, and construction of flood control structures along San Bruno Creek. Formed in 1967, the San Bruno Creek Flood Zone, which covers parts of San Bruno and South San Francisco, unincorporated County land, and Caltrans right-of-way, is one of four active flood zones that OneShoreline inherited from the former San Mateo County Flood Control District.

The Belle Air neighborhood, located in the lower San Bruno Creek watershed, has experienced repeated flooding over the past several decades. Belle Air's vulnerability stems from its low-lying topography, proximity to the Bay, sea level rise, storm surge, more extreme and frequent precipitation driven by climate change, and aging stormwater

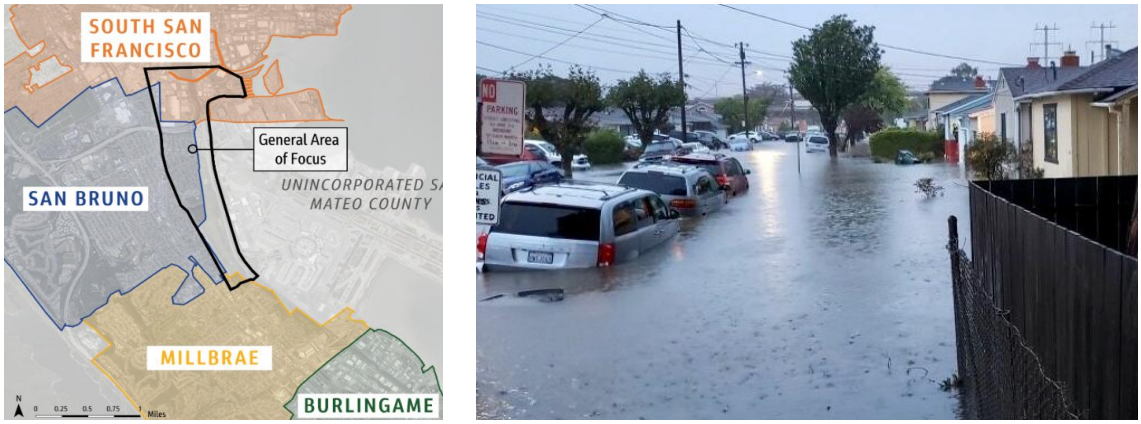
infrastructure designed for historical climate conditions. OneShoreline owns, operates, and maintains two pump stations along San Bruno Creek as well as a tide gate structure at the Bay, and coordinates with other agencies, including the City of San Bruno, Caltrans, and SFO, on flood risk reduction activities in Belle Air.

Routine Maintenance

During the 2024 seasonal work window, County Public Works, under contract to OneShoreline, completed routine maintenance of the "Cupid Row" reach of San Bruno Creek in coordination with San Francisco International Airport (SFO). In FY2025-26, OneShoreline rehabilitated Pump #3 at the Walnut Pump Station, completed vegetation removal at the Angus Pump Station, and continued coordination with SFO on related flood resilience and maintenance activities.

To support timely implementation of maintenance and small-scale improvement projects, in FY2026–27 OneShoreline will hire Job Order Contract (JOC) contractors to provide on-call construction services for debris removal, vegetation management, and minor infrastructure repairs. OneShoreline will also retain a construction manager and a biological monitor to oversee field work, ensure environmental compliance, and maintain project quality. In addition, staff will continue conducting routine site walks and inspections to assess creek conditions, identify maintenance needs, and support the continued reliability of flood management infrastructure.

Under the five-year routine maintenance permits for Bayside creeks discussed earlier, OneShoreline's contractor removed approximately 350 cubic yards of sediment from a flood-prone stretch of San Bruno Creek between October 15 and 22, 2025. In addition, at OneShoreline's request, Caltrans installed a flap gate at its detention basin at the northeast corner of Belle Air to reduce the risk of stormwater overflowing and causing street flooding.



The Belle Air neighborhood next to San Bruno Creek is a low-lying area that has experienced repeated flooding over the years. OneShoreline is collaborating with multiple agencies to reduce flood risks in this area.

Planning and Design

To address near- and long-term flood vulnerabilities in the lower watershed, OneShoreline is advancing the San Bruno Creek Resilience Project, which will produce a long-term adaptation plan, prioritize a portfolio of near-term planning and capital projects, and carry the most FEMA-competitive of those projects into concept design and CEQA review. An $897,500 FEMA Flood Mitigation Assistance grant funds the work, with a required local match of $607,500 from the San Bruno Creek Flood Zone. OneShoreline's Board approved an agreement with a consultant team for planning and design services on October 27, 2025. Since then, the project team has advanced flood modeling in coordination with the City of San Bruno's ongoing effort to update its storm drain master plan; drafted a decision framework for evaluating project concepts; developed project concepts; and engaged with technical partners, regulatory agencies, and the public.

In FY2025-26, the project team developed a range of project concepts and convened the first meeting of the project's Technical Advisory Committee, comprising staff representatives from the City of San Bruno, the City of South San Francisco, SFO, Caltrans, SamTrans, and the City/County Association of Governments of San Mateo County (C/CAG). OneShoreline staff will continue to convene this committee in FY2026-27 and consult with these agencies as concepts advance.

OneShoreline hosted a Community Kick-Off event on May 30, 2026, with materials and facilitation in English and Spanish. The event discussed the project with residents and gathered input on the criteria to evaluate concepts. Residents ranked reducing flood risk first, followed by protecting and restoring nature and building infrastructure that lasts, and spoke often about the age and condition of the pump stations. Connection to the creek and benefits to health and wellbeing emerged as strong secondary themes, and some residents said they would prefer more natural creek conditions. OneShoreline has also convened a Community Advisory Group of watershed residents, whose feedback shaped the project materials and evaluation criteria; it will continue to meet in 2026-27.



Belle Air residents provided input on project selection criteria at the Community Kick-Off event on May 30, 2026.

Home Protection and Insurability Initiative

OneShoreline works to advance policies and implement projects that align long-term resilience to the impacts of climate change. This takes the form of land use and zoning policies; guidance for private development and public infrastructure; designing protections against extreme storms and tides for developed, natural, and recreational areas; and developing public and private investments in this work. OneShoreline also prioritizes supporting the economic resilience of property owners in the face of climate change because implementing our projects protects life and property, which can lower the rapidly escalating cost to insure that property.

Insurance costs are rising quickly nationwide, including in San Mateo County. Recent research by the National Bureau of Economic Research shows that homeowners in San Mateo County paid an average of $1,809 for home insurance in 2024 (excluding earthquake and flood insurance policies that are required separately) — a 55% increase since 2018. Climate change–related damage and risk are major drivers of rising costs and reduced access to insurance — the number of policies in our county on the State's FAIR Plan, the insurer of last resort, was eight times greater in September 2025 as compared to five years earlier. This has broad implications for local government because where insurance becomes more expensive and/or unavailable, property values decline, reducing local government revenues at the same time that the cost to build resilience and the cost to finance resilience through bonds increases.

To address this challenge, OneShoreline launched the Home Protection and Insurability Initiative in late 2025. The goal of this effort is to have actions that reduce flood or wildfire risk at the property scale (by a homeowner) and community scale (by a public agency) result in increased access to private insurance that is priced to reflect those risk reduction actions. To accomplish our goal and improve insurability in San Mateo County, OneShoreline is partnering with the nonprofit Insurance for Good and major private insurers to establish pilot projects that reduce wildfire or flood risk at both the property and community scales. We hope this initiative will serve as a model for the many other regions facing this challenge.

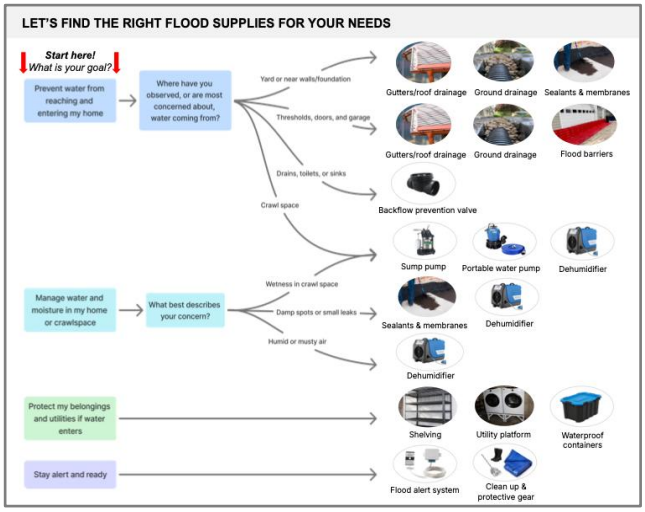
Household Flood Supplies Pilot

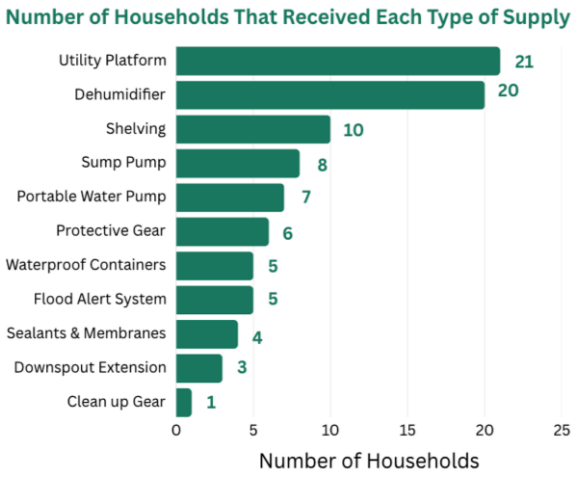
During FY2025-26, OneShoreline focused on flood risk reduction in the Belle Air neighborhood of San Bruno. As described in the San Bruno Creek section, residents of Belle Air face persistent flooding from San Bruno Creek because of aging, undersized infrastructure, low-lying topography, and rising tides. OneShoreline is advancing the San Bruno Creek Resilience Project, which will evaluate flood protection and shoreline adaptation alternatives and move a priority project into design and environmental review. While that long-term work continues, we are also taking near-term action to help residents prepare for flooding today.

Since January 2024, OneShoreline and its partners have held more than 80 door-to-door conversations and three community workshops in Belle Air to understand residents' flood experiences and needs. Residents reported recurring damage, financial strain, and stress. Many already use sandbags, sump pumps, or elevated appliances, but others lack the resources or information to prepare adequately. Residents clearly articulated the need for practical, near-term support tailored to different households' needs. In response, OneShoreline launched the Household Flood Supplies Pilot in San Bruno in fall 2025, giving residents access to flood supplies suited to their circumstances.

Funded through the San Bruno Creek Flood Zone, the pilot's first year focused on 99 homes in the part of Belle Air most susceptible to flooding. On a first-come, first-served basis, up to 30 households could each receive up to $1,500 in eligible supplies. In partnership with the community-based organization Climate Resilient Communities (CRC), we delivered the first supplies in December 2025. As of June 30, 2026, 26 households had received supplies, including sump pumps, garage flood barriers, and appliance platforms.

Building on this success, OneShoreline and CRC are planning Year 2 of the pilot for FY2026-27 to extent the pilot to more of San Bruno and expand the pilot to flood-prone neighborhoods in East Palo Alto.





Left: Decision support guide for eligible flood supplies in FY25-26.
Right: Flood supplies tailored to each household were delivered to 26 households in San Bruno's Belle Air neighborhood.

Subregional Shoreline Adaptation Plans

In 2023, the State Legislature adopted Senate Bill 272 (Laird), requiring coastal cities to adopt sea level rise adaptation plans by 2034. To support compliance, the Bay Conservation and Development Commission (BCDC) adopted the Regional Shoreline Adaptation Plan (RSAP) in December 2024, providing guidelines for cities to develop Subregional Shoreline Adaptation Plans. The RSAP draws heavily on OneShoreline's Planning Policy Guidance, adopted in June 2023. Funding for RSAP-compliant plans is available through the California Ocean Protection Council's (OPC) Senate Bill 1 Sea Level Rise Adaptation Planning Grant Program.

Brisbane

In March 2025, OneShoreline applied for $750,000 in OPC funding to develop a RSAP-compliant Subregional Shoreline Adaptation Plan for the Brisbane shoreline, in partnership with the City of Brisbane. OPC approved funding for the Brisbane Shoreline Resilience Plan on June 10, 2025. Following a lengthy process of grant workplan development and contract negotiations with OPC, the grant agreement with the State was signed in March 2026.

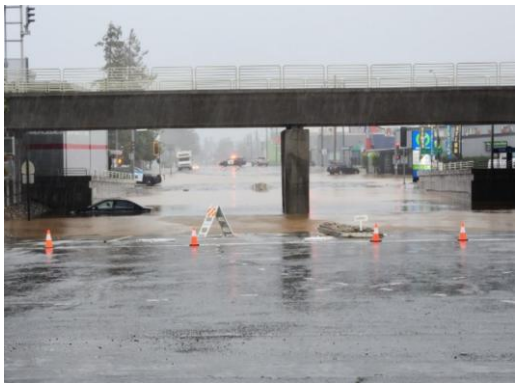
OneShoreline released a Request for Proposals (RFP) for a technical consultant in April 2026, and a team led by Moffatt & Nichol was selected as most qualified to lead the project. OneShoreline's Board approved a Master Services Agreement with Moffatt & Nichol on June 22, 2026. A separate RFP was released the same month for an engagement consultant to support community and stakeholder engagement for the Brisbane Shoreline Resilience Plan and other OneShoreline-led efforts. InterEthnica was selected as most qualified to lead this engagement, and the Board approved a Master Services Agreement and Brisbane Engagement Task Order with InterEthnica on August 24, 2026.

FY2026-27 activities will include convening a Technical Advisory Committee comprised of staff from Brisbane, Caltrans, SamTrans, South San Francisco, the City and County of San Francisco, and regional agencies such as the Metropolitan Transportation Commission, as well as drafting the planning process chapter, existing conditions chapter, and vulnerability assessment chapter. InterEthnica will lead outreach to Brisbane residents and stakeholders throughout the drafting process, generating feedback to incorporate into the Plan so it reflects the community's values and priorities.

Southern Bayside Cities

Redwood City staff approached OneShoreline about leading a multi-jurisdictional shoreline adaptation plan for Redwood City, Belmont, San Carlos, Menlo Park, and East Palo Alto to meet Senate Bill 272 requirements. Following discussions in late 2024 and early 2025, all five cities confirmed participation in February 2025. OneShoreline submitted a grant proposal to OPC in July 2025 to develop the San Mateo County Southern Bayside Cities Shoreline Resilience Plan, also known as the 5 Cities Plan. The plan will integrate prior shoreline adaptation efforts, including Redwood City's Sea Level Rise Vulnerability Study and the SAFER Bay project in Menlo Park and East Palo Alto, to establish a coordinated regional strategy for this important stretch of Bay shoreline.

On September 30, 2025, OPC approved a $2,033,726 grant to OneShoreline to complete the plan in partnership with the five cities and the community-based organization Nuestra Casa. The plan development process will take approximately three years. Throughout FY25-26, OneShoreline staff worked with OPC staff to develop the grant workplan, and the grant agreement with the State was finalized on September 16, 2026. In August,2026, OneShoreline issued an RFP to procure a technical consultant team to lead plan development, with an anticipated start in January 2027. InterEthnica will lead the engagement and outreach effort.





Many parts of the 5 Cities Plan planning area experience significant flooding during king tides

Other Funding Obtained

Brisbane Living Shoreline Project

Over the last century, the City of Brisbane's shoreline has lost most of its natural habitat, leaving only small, fragmented tidal marsh and mudflat areas and limited native oyster populations. The San Francisco Estuary Institute's *San Francisco Bay Shoreline Adaptation Atlas* has identified the Brisbane shoreline as the only site in San Mateo County suitable for large-scale eelgrass and native oyster restoration, which could have flood protection benefits in addition to ecological benefits.

In October 2025, OneShoreline applied to the San Francisco Bay Restoration Authority (SFBRA) for Measure AA funding to plan and design the Brisbane Living Shoreline Project. The project aims to restore at least 100 acres of eelgrass and 50 acres of native oyster habitat and to demonstrate how living shorelines can reduce wave impacts on the Brisbane shoreline. The first phase is a three-year effort to collect baseline biological and physical data along the shoreline, complete 30% design of the preferred restoration strategy, prepare draft permit applications, and engage the public through workshops and stewardship activities. OneShoreline will carry out this work in partnership with the City of Brisbane, research scientists with expertise in eelgrass and oyster restoration, and the community-based organization Literacy for Environmental Justice. The project will also support the broader Brisbane Shoreline Resilience Planning effort, described in the Subregional Shoreline Adaptation Plans section.

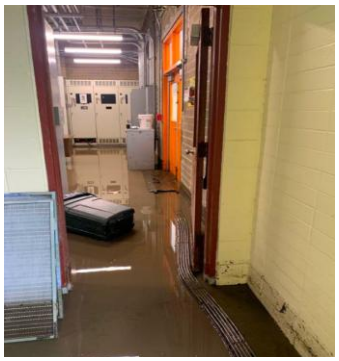
OneShoreline requested $962,500 in Measure AA funds, and the SFBRA Governing Board approved the grant on June 12, 2026. Staff are now working with SFBRA to develop the grant work plan. In FY2026-27, OneShoreline will execute the grant agreement, obtain scientific research permits, and begin data collection along the shoreline. The same consultant team that is developing the Brisbane Shoreline Resilience Plan will advance conceptual-level restoration strategies to 30% design.



Left: The Brisbane shoreline is suitable for large-scale eelgrass and oyster habitat restoration.
Right: Native Olympia oysters along the Brisbane shoreline.

Sewer Authority Mid-Coastside (SAM) Wastewater Treatment Plant

The SAM Wastewater Treatment Plant serves about 27,000 residents of Half Moon Bay and the unincorporated communities of Miramar, Moss Beach, El Granada, Montara, and Princeton Harbor. It sits at the convergence of Pilarcitos Creek and the Kehoe Watercourse, less than 450 feet from Half Moon Bay State Beach and less than 200 feet from the nearest housing development. The plant is vulnerable to overtopped levees, elevated groundwater, and stormwater runoff, and its mechanical building flooded during a storm on December 31, 2022; larger storms, coastal erosion, and sea level rise are expected to increase the threat. A flood-induced failure could discharge untreated wastewater into nearby communities, wetlands, and the Pacific Ocean.



Flooding at the electrical building of the SAM Wastewater Treatment Plant on 12/31/2022.

At the request of SAM's General Manager, OneShoreline and its federal lobbyist have been working to secure federal funding for long-term resilience measures at the facility. Following OneShoreline's requests, Representative Sam Liccardo and Senators Alex Padilla and Adam Schiff asked their appropriations committees to fund a U.S. Army Corps of Engineers (USACE) study. The resulting $50,000 appropriation, signed into law in January 2026, was one of only three new projects funded nationally under USACE's Continuing Authorities Program Section 205 Flood Control Project account. OneShoreline is the non-federal sponsor, and the study began in mid-May 2026. In July 2026, USACE staff confirmed a positive federal interest in this project, and OneShoreline brought to its Board in October 2026 a draft Feasibility Cost Sharing Agreement with USACE to begin the feasibility study.

Because the FY2026 appropriation only initiates the project, OneShoreline has asked Representative Liccardo and Senators Padilla and Schiff to seek an additional $500,000 in the FY2027 federal budget, as part of a multi-year effort to evaluate alternatives and develop a recommended plan for implementation.

Multijurisdictional Local Hazard Mitigation Plan (LHMP) Update

Local hazard mitigation planning is a collaborative process in which a jurisdiction identifies potential hazards, assesses the risks they pose, and develops actions to reduce them. Stakeholders, including members of the public, work together toward the shared goal of reducing disaster-related risk. A Local Hazard Mitigation Plan (LHMP) is the product of this process. Under the federal Disaster Mitigation Act of 2000, a community must have a FEMA-approved LHMP to be eligible to apply for and receive FEMA hazard mitigation funding. FEMA requires that an adopted LHMP be updated every five years to maintain that eligibility.

In San Mateo County, the Department of Emergency Management (DEM) is leading the update of the 2021 Multijurisdictional LHMP, which incorporates hazard assessments and mitigation actions submitted by all cities and special districts in the county, including OneShoreline. Throughout FY25-26, OneShoreline staff participated in meetings and workshops to support the update. In addition to revising the OneShoreline annex, staff reviewed other jurisdictions' annexes and provided detailed comments on sections related to flooding and sea level rise. In FY26-27, OneShoreline will support DEM staff in revising the plan in response to comments from the California Governor's Office of Emergency Services (Cal OES) and FEMA. Once Cal OES and FEMA approve the 2026 Multijurisdictional LHMP, OneShoreline will bring it to its Board for adoption.

Website Migration

The Americans with Disabilities Act (ADA) requires state and local governments to make their web content and mobile apps meet the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards. In addition, California state funding agencies require all public-facing products of grants to comply with the federal Rehabilitation Act.

To meet these requirements, OneShoreline selected a consultant that specializes in websites for special districts and provides robust customer support for ADA compliance as the host platform for its new website. Throughout FY25-26, staff worked with the consultant to design the site and migrate site content. The new OneShoreline website launched on June 10, 2026. Visit oneshoreline.org to experience the difference.

FINANCIAL INFORMATION

Local Economy

The local economy of San Mateo County has been a reflection of nearby Silicon Valley and the greater Bay Area. The County's diverse base supports a mix of large and small businesses across technology, life sciences, transportation, and services, and in a normal environment provides for greater economic stability and less volatility than more specialized economies. Inflation and interest rates continue to be issues for the overall economy, while tariffs and elevated mortgage rates have created another level of uncertainty over the last year. As of June 2026, the unemployment rates for the United States and California were 4.2% and 5.2%, respectively. As of June 2026, the unemployment rate for San Mateo County was 3.6%, among the lowest of California's 58 counties. Assessed property values within the County increased 4.80% in FY 2025-26 and are anticipated to increase another 4.85% in FY 2026-27, reaching a record $357.6 billion and marking the sixteenth consecutive year of roll growth. Among the largest taxpayers in the County for FY2025-26 are Genetech Inc, Gilead Sciences, United Airlines, Pacific Gas & Electric, Google and Meta. The County's overall population base is anticipated to change slightly in size and income. Last calendar year, population remained essentially flat, decreasing 0.03% to 748,182 for San Mateo County. The most recent five-year Census estimates showed that median household income grew 1.83% to $158,855 for San Mateo County compared to the prior five-year estimates.

Property Tax

Pursuant to Assembly Bill No. 825, OneShoreline is given statutory authority to levy taxes within its flood zones. This bill also requires those levies to be collected on the San Mateo County tax roll and paid into OneShoreline. For FY2025-26, San Mateo County's tax roll increased by $15.6 billion, or 4.8%, to over $341.1 billion. Accordingly, OneShoreline's property tax revenue increased by $644 thousand, or 7.7%, to over $9 million.

Internal Control

OneShoreline's financial reporting system and business processes have been designed with an emphasis on the importance of strong internal financial controls, including the proper recording of revenues and expenses and maintenance of budgetary control for the allocation of available resources. Existing internal controls are monitored, and changes are implemented as needed. These controls are designed to provide reasonable, but not absolute, assurance that (1) assets are safeguarded against waste, fraud and inefficient use, and (2) OneShoreline's financial records can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal controls should not exceed benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management. OneShoreline believes that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

OneShoreline has a one-year budget cycle and a detailed operating plan that identifies estimated costs in relation to estimated revenues over the budget period. The budget includes the projects, services and activities to be carried out during that fiscal year and the estimated revenue available to finance these operating and capital costs. OneShoreline's operating, flood zones and capital budgets are reviewed and approved by the Board of Directors. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the fund level.

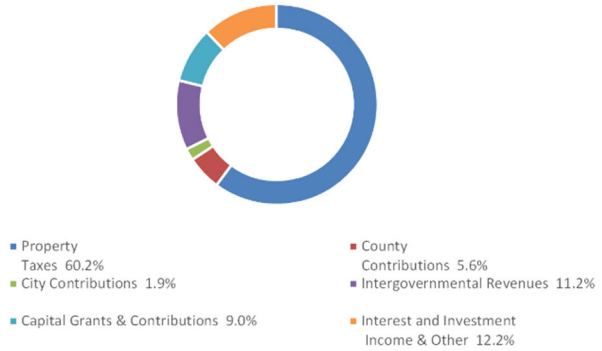
The budget represents a process wherein policy decisions made by the Board of Directors are adopted, implemented, and controlled. Budget control is maintained by monitoring budget activity on a monthly basis and adjusting activities, if needed, to ensure that the annual budgeted amounts are not exceeded.

Early Bonds Payoff

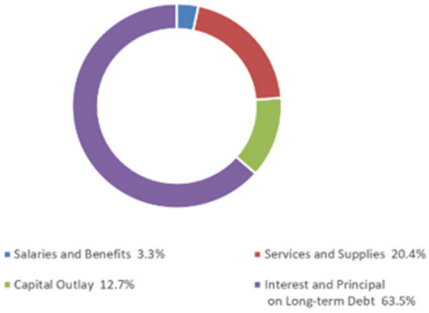
On July 31, 2025, OneShoreline fully prepaid its 2015 Revenue Refunding Bonds through its trustee, U.S. Bank. The total payment was $12,505,000, including $12,200,000 in principal and $305,000 in accrued interest. This early repayment is projected to result in future interest costs savings of approximately $3.2 million over the next 10 fiscal years. The funds for this early prepayment were drawn from OneShoreline's investment portfolio at LAIF and U.S. Bank.

The following information presents a summary of the revenues and expenses for the fiscal year ended June 30, 2026.

REVENUES		
Property Taxes	$	9,011,428
County Contributions		837,500
City Contributions		285,000
Intergovernmental Revenues		1,680,004
Capital Grants & Contributions		1,341,423
Interest and Investment Income & Other		1,825,878
Total Revenues	$	**14,981,233**



EXPENSES		
Salaries and Benefits	$	654,895
Services and Supplies		4,017,762
Capital Outlay		2,509,007
Interest and Principal on Long-term Debt		12,505,000
Total Expenses	$	**19,686,664**



OTHER INFORMATION

Independent Audit

State of California statutes require an annual independent audit of the financial statements of OneShoreline. Through a formal RFP process, OneShoreline contracted with Macias Gini & O'Connell LLP for this audit. The audit has been completed and conducted in accordance with *Government Auditing Standards*. The firm's report has been included in the financial section of this report.

Acknowledgements

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

The preparation of this report on a timely basis has been accomplished with the efficient and dedicated services of the Finance Department along with the assistance and support of OneShoreline's other departments and staff.

OneShoreline would also like to thank the members of the Board of Directors for their continued support in planning and implementing OneShoreline's financial affairs.

Respectfully submitted,



Len Materman
Chief Executive Officer



Lucy Dong, CPA, CPFO
Chief Finance and Compliance Officer

ONESHORELINE BOARD OF DIRECTORS (as of June 30, 2026)



Debbie Ruddock
Coastside
CHAIR



Lisa Gauthier
San Mateo County At-Large
VICE CHAIR



Marie Chuang
San Mateo County Cities At-Large



Donna Colson
Northern San Mateo County Cities



Kaia Eakin
South San Mateo County Cities

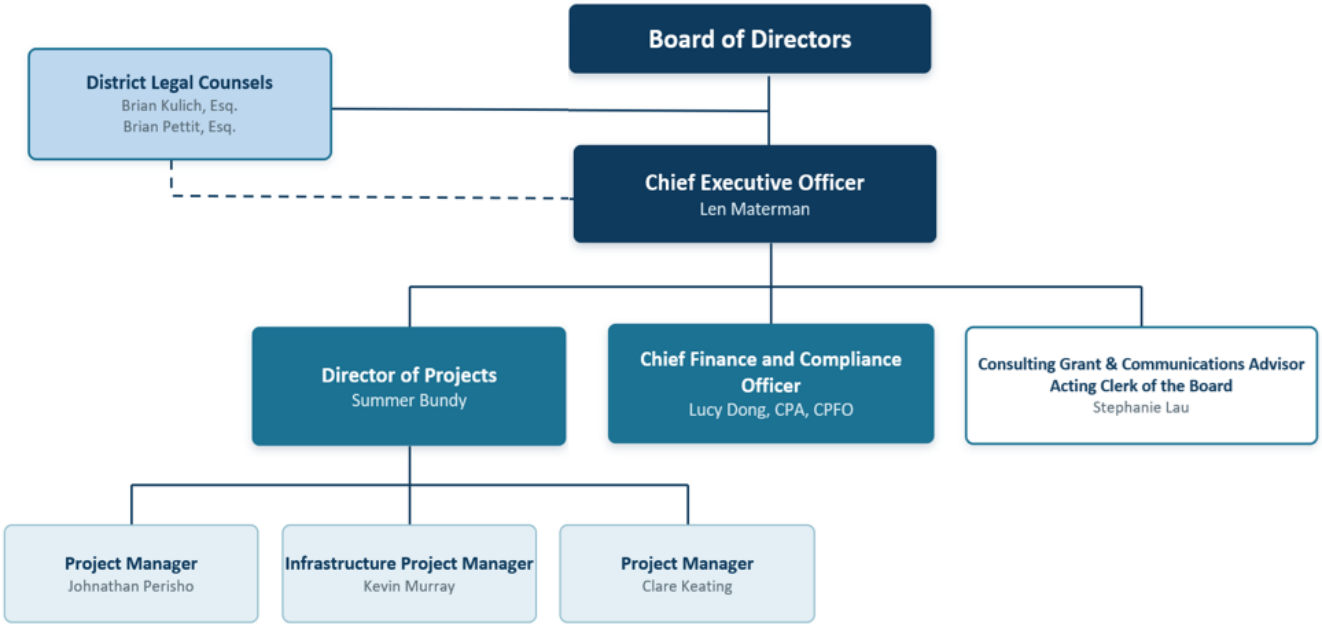


Adam Rak
Central San Mateo County Cities



Ray Mueller
San Mateo County, District 3

ONESHORELINE ORGANIZATIONAL CHART (as of June 30, 2026)



ONESHORELINE AWARDS



Leadership and Innovation Award

Institute for Local Government · Beacon Program

The Institute for Local Government (ILG) awarded OneShoreline for the leadership and innovation in climate resilience for their Planning Policy Guidance, which is a remarkable example of the great work special districts do to advance environmental sustainability in their communities.

CROSS-AGENCY COLLABORATION IN CLIMATE ADAPTATION

Elected Official Recognitions

Formal recognitions honoring cross-agency climate collaboration



Commendation

San Mateo County Board of Supervisors



Congressional Recognition

Congresswoman Jackie Speier



Senate Certificate of Recognition

Senator Jerry Hill, 13th District



Assembly Certificate of Recognition

Kevin Mullin, Speaker pro Tempore

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OneShoreline
Building Solutions for a Changing Climate

FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Supplementary Information
- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

mgo. | Certified Public Accountants

Independent Auditor's Report

Board of Directors
San Mateo County Flood and Sea Level Rise Resiliency District
San Mateo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Mateo County Flood and Sea Level Rise Resiliency District (District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The District's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 6, 2026

Management's Discussion and Analysis (Unaudited)

This section of OneShoreline's annual comprehensive financial reports presents an analysis of the District's financial performance for the fiscal year ended June 30, 2026. The information presented here should be read in conjunction with the information furnished in the financial statements and notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components:

(1) **Government-wide** financial statements
(2) Fund financial statements

The government-wide financial statements are prepared using the accrual basis of accounting. The governmental fund financial statements are prepared using the modified accrual basis of accounting. Further information on the basis of accounting is discussed in Note 2(b).

The notes to the basic financial statements provide additional context to the various areas of the basic financial statements.

Government-wide Financial Statements provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs*, regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include public protection.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements provide a narrower view of the District's finances. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the District are governmental funds which include general, special revenue, capital projects, and debt service funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of governmental activities, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District'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 District maintains ten individual governmental funds. Information for the General Fund and the other major funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of the nonmajor governmental funds is provided in the combining statements in this report as supplementary information.

The governmental fund financial statements can be found on pages 17 – 20 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found starting on page 21 of this report.

Summary Financial Information

Government-wide Financial Position

The District's assets exceeded its liabilities at the close of the fiscal year ended June 30, 2026 by $91.6 million (net position):

District's Net Position
June 30, 2026

Assets:		
Current and other assets	$	57,035,513
Capital assets		37,831,428
Total assets		94,866,941
Liabilities:		
Current liabilities		3,235,667
Long-term liabilities		60,937
Total liabilities		3,296,604
Net position:		
Net investment in capital assets		37,329,424
Unrestricted		54,240,913
Total net position	$	91,570,337

The District's net position at June 30, 2026 is subdivided into the following components:

- $37.3 million represents the District's investment in capital assets *(net investment in capital assets)*. This is comprised of the net book value of capital assets at June 30, 2026 reduced by the balance of obligations pertaining to capital-related activities. These capital assets and related obligations are used to provide services to citizens and are not available for future spending.
- $54.2 million is available to fund District's programs for residents *(unrestricted net position)*.

The District held $94.9 million in total assets at June 30, 2026 which were subdivided into the following components:

- $57.1 million in current and other assets, which are comprised of $55.9 million in cash and cash equivalents, $1.1 million in receivables and $36 thousand in prepaid expenses.
- $37.8 million in capital assets, net of accumulated depreciation.

The District held $3.3 million in total liabilities at June 30, 2026 which were subdivided into the following components:

- $61 thousand in accrued vacation and leave for the District's employees at June 30, 2026.
- $1.1 million in accounts payable.
- $2.1 million in unearned revenue.

Fund Financial Position

The District's governmental funds reported combined fund balances of $53.8 million at June 30, 2026. $54.2 million (assigned fund balance) is available for spending at the District's discretion. The components of fund balance are outlined as follows at June 30, 2026:

District's Fund Balance
June 30, 2026

Nonspendable	$	36,227
Assigned		54,161,732
Unassigned		(398,113)
Total fund balance	$	53,799,846

Detailed Financial Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

District's Net Position
June 30, 2026

	June 30, 2026	June 30, 2025	Difference ($)	Difference (%)
Assets:				
Current and other assets	$ 57,035,513	$ 60,612,057	$ (3,576,544)	-5.90%
Capital assets, net	37,831,428	36,461,593	1,369,835	3.76%
Total assets	94,866,941	97,073,650	(2,206,709)	
Liabilities:				
Current liabilities	3,235,667	2,016,809	1,218,858	60.43%
Long-term liabilities	60,937	13,668,898	(13,607,961)	-99.55%
Total liabilities	3,296,604	15,685,707	(12,389,103)	
Deferred inflows of resources	-	26,359	(26,359)	-100.00%
Net position:				
Net investment in capital assets	37,329,424	22,518,430	14,810,994	65.77%
Restricted	-	84	(84)	-100.00%
Unrestricted	54,240,913	58,843,070	(4,602,157)	-7.82%
Total net position	$ 91,570,337	$ 81,361,584	$ 10,208,753	

Assets

- *Cash and cash equivalents* were reported at $55.9 million as of June 30, 2026, a $3.6 million reduction from the prior fiscal year, mainly due to early bond payoff on July 31, 2025. Of this amount, $26.1 million was held in the District's US Bank Custodial Account, $2.1 million was held in the District's Wells Fargo Bank Account, and $27.7 million was held in the District's Local Agency Investment Fund Account.
- *Interest receivable* was reported at $0.4 million at June 30, 2026 and represents proportionate interest earned at the end of June 30, 2026 that is expected to be collected within 15 days after the fiscal year end.
- *Taxes receivable* was reported at $0.1 million as of June 30, 2026 and represents the property tax that was earned at the end of June 30, 2026 and will be distributed within 60 days after fiscal year end.
- *Intergovernmental receivable* was reported at $0.5 million at June 30, 2026 and represents the District's grant awards earned but not yet paid by the granting agencies as of June 30, 2026.
- *Prepaid expenses* were reported at $36 thousand at June 30, 2026 and includes the District's prepaid health, property and liability insurance premiums.
- *Capital assets* amounted to $37.8 million, net of accumulated depreciation, and are broken down further in the tables under Note 4.

Liabilities

- *Long-term liabilities* were reported at $61 thousand as of June 30, 2026, consisting solely of the District's accrued vacation and leave. This represents a $13.6 million reduction from the previous fiscal year, primarily due to the early bond payoff on July 31, 2025.
- *Accounts Payable* was reported at $1.1 million as of June 30, 2026 and represents the sum of all outstanding amounts the District owed to vendors for goods or services received that have not yet been paid for at the end of the fiscal year.
- *Unearned Revenue* was reported at $2.1 million as of June 30, 2026 and represents transactions where the District has received cash but has not yet performed the associated services at the end of the fiscal year.

Net Position

- *Net investment in capital assets* was reported at $37.3 million, an increase of $14.8 million from the previous fiscal year, mainly due to the early bond payoff on July 31, 2025.

The District' s activities and changes in net position for the year ended June 30, 2026 are summarized as follows:

District's Changes in Net Position
Year Ended June 30, 2026

	FY 2026	FY 2025	Difference ($)	Difference (%)
Program expenses:				
Public protection	$ 4,762,323	$ 2,784,951	$ 1,977,372	71.00%
Depreciation expense	1,059,558	998,315	61,243	6.13%
Interest on long-term liabilities	50,833	470,359	(419,526)	-89.19%
Total program expenses	5,872,714	4,253,625	1,619,089	
Program revenues:				
Operating grants and contributions	2,802,504	2,509,272	293,232	11.69%
Capital grants and contributions	997,285	189,060	808,225	427.50%
Total program revenues	3,799,789	2,698,332	1,101,457	
General revenues:				
Property tax	9,011,428	8,367,818	643,610	7.69%
Interest and investment income	1,812,136	3,083,403	(1,271,267)	-41.23%
Gain on extinguishment of debt	1,444,372	-	1,444,372	100.00%
Other	13,742	83,339	(69,597)	-83.51%
Total general revenues	12,281,678	11,534,560	747,118	
Changes in net position	10,208,753	9,979,267	229,486	2.30%
Net position - beginning:	81,361,584	71,382,317	9,979,267	
Net position - ending	$ 91,570,337	$ 81,361,584	$ 10,208,753	

Analysis of Governmental Activities - Revenues and Expenses

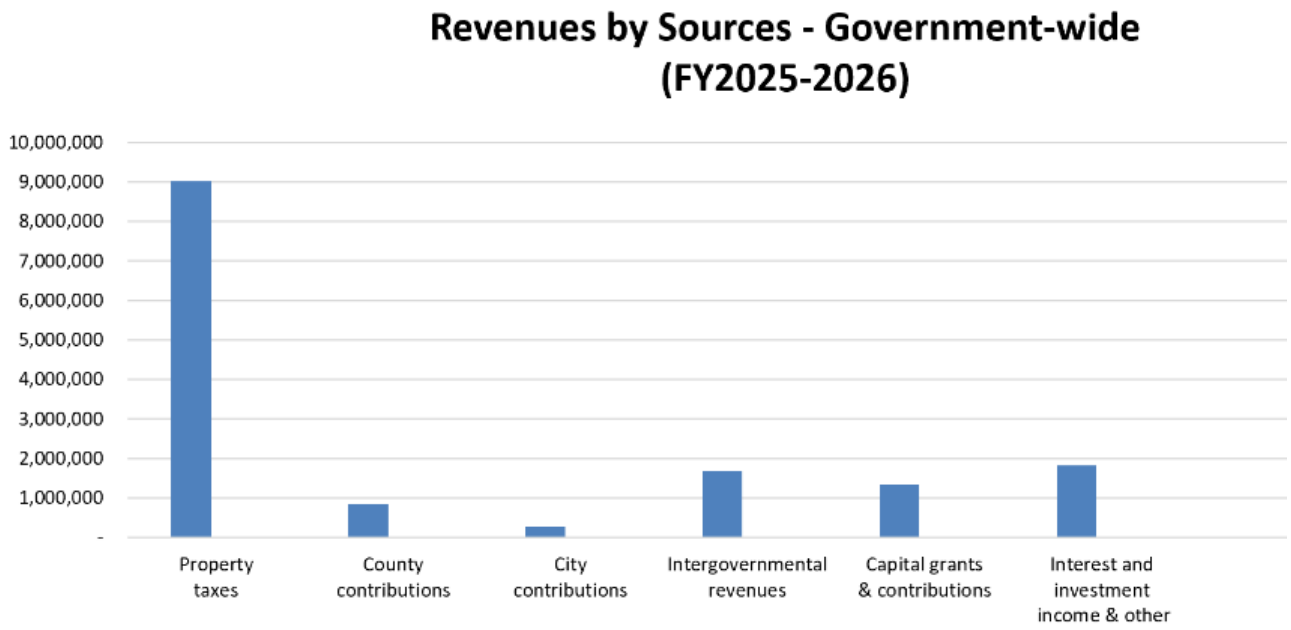
The District's net position increased by $10.2 million for the year ended June 30, 2026. The District's project costs are expected to gradually increase in future years as additional projects move into planning, design, operation, and maintenance. For the year ended June 30, 2026, the District's costs were still outweighed by its annual revenues from property taxes and contributions by $10.2 million. Specifically, the District's property tax revenues from the County increased by $0.6 million; the District's investment income decreased by $1.3 million due to early bond payoff with cash and market fluctuations; the District reported a gain on extinguishment of debt of $1.4 million; the District's operating and capital grants increased by $1.1 million; and the District incurred $2 million more in costs for public protection activities as a result of new hires and capital projects getting underway.

GOVERNMENTAL FUND FINANCIAL ANALYSIS

The following is a summary of significant changes in activities under the District's major governmental funds between the year ended June 30, 2025 and the year ended June 30, 2026:

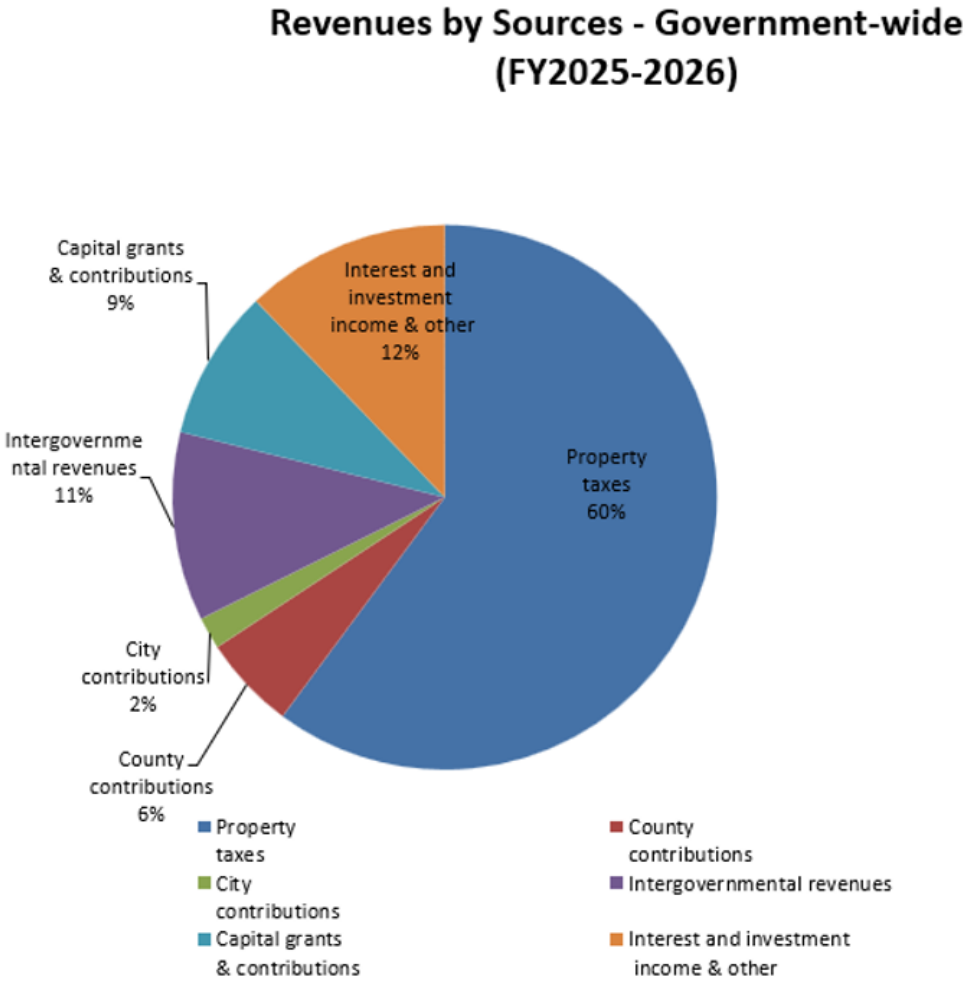
- The District had a significant decrease in the activities for the Bayfront Canal Atherton Capital Project fund for the financial reporting period ended June 30, 2026, to report decreasing capital project activities. The fund reported total revenues and expenditures of $72 thousand for project costs incurred through the balance sheet date.
- The District had the Burlingame-Millbrae SFO Shoreline Capital Project fund for the year ended June 30, 2026, to report capital project activities. The fund has incurred capital outlay in the amount of $0.9 million for the year ended June 30, 2026. Future years are expected to reflect increased activities for this fund.
- The District newly established Brisbane Living Shoreline Capital Project fund for the year ended June 30, 2026, to report capital project activities. The fund has incurred capital outlay in the amount of $5 thousand for the year ended June 30, 2026, which is primarily staff time. Future years are expected to reflect increased activities for this fund.
- The District's Debt Service fund for the financial reporting period ended June 30, 2026 was closed out due to prepay the 2015 Revenue Refunding Bonds in full on July 31, 2025. Future years are expected to have no activities for this fund until new bonds are issued.
- The District had the Early Flood Warning System Capital Project fund for the financial reporting period ended June 30, 2026, to report capital project activities. The fund has incurred capital outlay in the amount of $0.2 million for the year ended June 30, 2026. Future years are expected to reflect increased activities for this fund.

Governmental Activities - Revenues



Program Revenues accounted for 24% of the District's overall governmental activities revenues. Program revenues amounted to $3.8 million for the year ended June 30, 2026. This included $2.7 million in capital and operating grants supporting the District's projects and $0.8 million in Measure K grant contributions from the County of San Mateo and $0.3 million in contributions from 9 cities of the County of San Mateo.

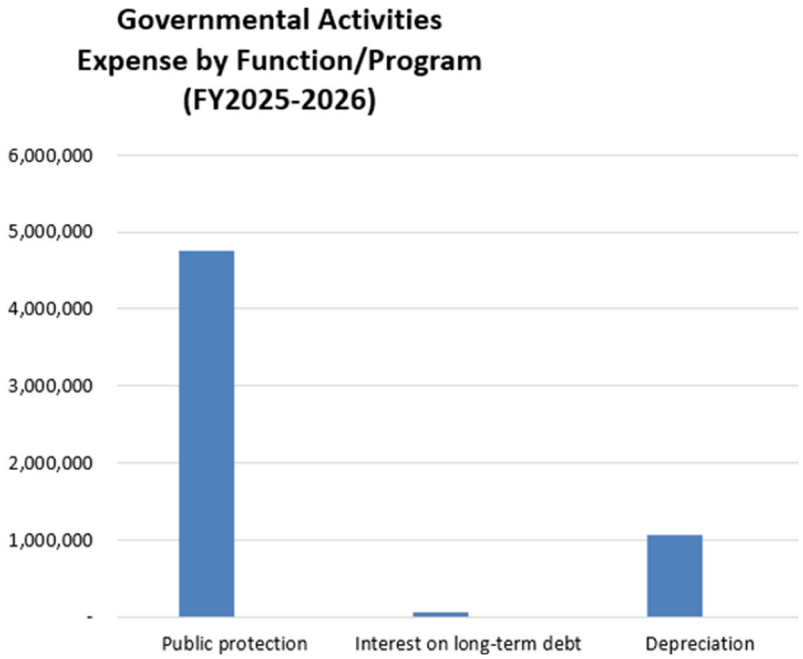
The District's revenues for the fiscal year ended June 30, 2026 are comprised of and distributed as follows:



General Revenues were reported at $12.3 million and accounted for 76% of the District's overall governmental activities revenues. General Revenues primarily consisted of the following:

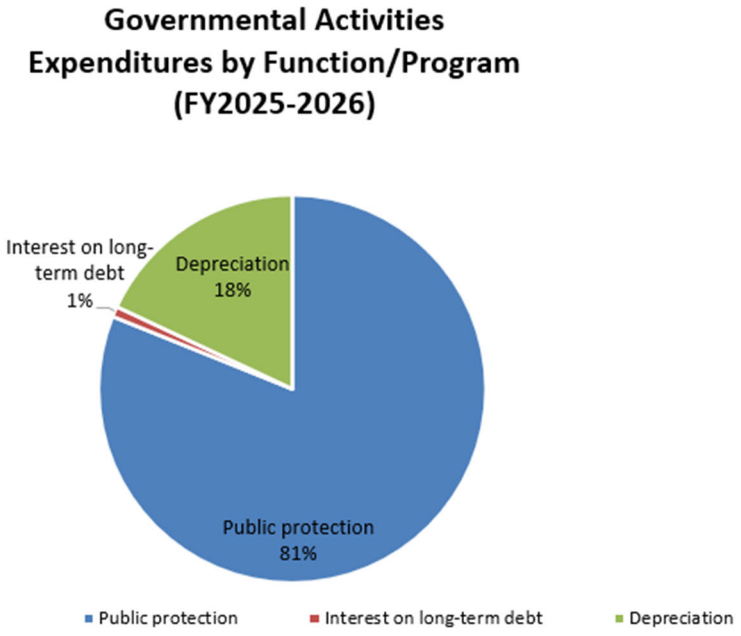
- *Property Tax Revenues* were reported at $9.0 million and were generated from the District's 8 flood control subzones contained within 4 special revenue funds reported in the basic financial statements.
- *Interest and Investment Income and other revenue* were reported at $1.8 million.
- *Gain on extinguishment of debt was reported* at $1.4 million.

Governmental Activities - Expenses



- **Expenses for *Public Protection*** accounted for 81% of the District's overall governmental activities expenses. Public protection expenses were reported at $4.8 million for the year ended June 30, 2026, $4.0 million of this was costs of services and supplies, and $0.7 million was costs of salaries and benefits.
- **Expenses for *Interest on long-term debt*** accounted for $50 thousand.
- **Expenses for *Depreciation*** represented the depreciation costs on the District's capital assets incurred for the year ended June 30, 2026 and amounted to $1.1 million, or 18% of the District's overall governmental expenses.

The District's expenses for the fiscal year ended June 30, 2026 are comprised of and distributed as follows:



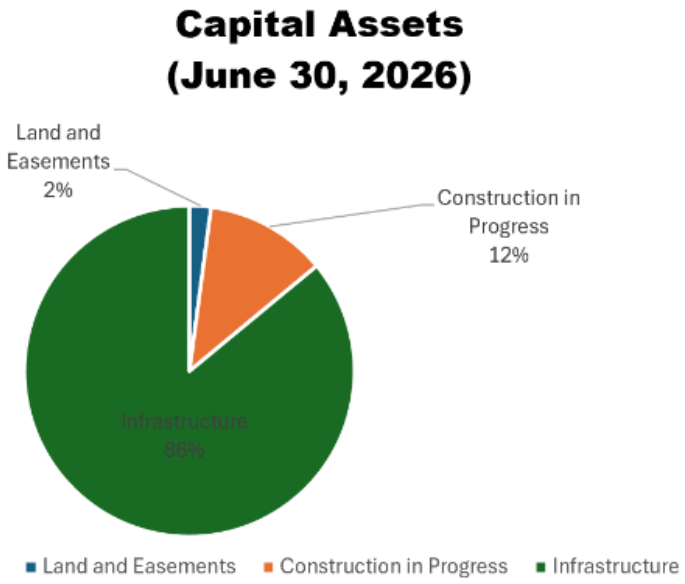
Capital Assets and Long-Term Debt Activities

The District's capital assets balance was reported at $37.8 million (net of accumulated depreciation). This includes land, easements, construction in progress, and infrastructure. The District's capital assets as of June 30, 2026 are comprised of the following:

Capital Assets
Net of Accumulated Depreciation

Land	$	702,962
Easements		92,419
Construction in progress		4,508,842
Infrastructure, net		32,527,205
Total capital assets, net	$	37,831,428

The District's capital assets are comprised of and distributed as follows:



The District's total long-term obligations were reported at $61 thousand as of June 30, 2026, which is the outstanding obligations for accrued vacation leave due beyond one year.

On July 31, 2025, the District fully prepaid its 2015 Revenue Refunding Bonds through its trustee, U.S. Bank. The total payment was $12,505,000, including $12,200,000 in principal and $305,000 in accrued interest. This early repayment is projected to result in future interest cost savings of approximately $3.2 million over the next 10 fiscal years.

Currently Known Facts, Decisions, or Conditions

The District has secured several new outside funding sources that will support its planning and capital program in FY2026-27 and beyond. These include a $2.03 million California Ocean Protection Council (OPC) grant for the Southern Bayside Cities Shoreline Resilience Plan, for which the grant agreement was executed in September 2026; a $750,000 OPC grant for the Brisbane Shoreline Resilience Plan, for which the grant agreement was executed in March 2026; and a $962,500 San Francisco Bay Restoration Authority Measure AA grant for the Brisbane Living Shoreline Project, approved in June 2026. The District will also continue the San Bruno Creek Resilience Project, funded by an $897,500 FEMA Flood Mitigation Assistance grant and a required $607,500 local match from the San Bruno Creek Flood Zone. Because these grants are generally received on a reimbursement basis, grant revenues and related expenditures are expected to increase as consultant work ramps up.

In addition, the District's master services agreement with San Mateo County Public Works for routine maintenance and operations support ended in June 2026. The District has since procured on-call contractors for infrastructure maintenance, environmental compliance, and site work, and plans to award Job Order Contracts in fiscal year 2026-27. As a result, maintenance costs will shift from an interagency agreement to direct contracted services.

The District will also continue to advance its long-term flood and sea level rise resilience projects. In FY2026-27, the District plans to finalize the 30 percent design and complete the Environmental Impact Report for the Millbrae and Burlingame Shoreline Resilience Project, which is funded by the State Coastal Conservancy and FEMA. The District also plans to begin public outreach for the Colma Creek Watershed Plan and the Lower Colma Creek Resilience Projects, both of which are funded through the Colma Creek Flood Zone.

Finally, in October 2026, the District brought to its Board a draft Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers for a feasibility study to improve the flood resilience of the Sewer Authority Mid-Coastside (SAM) wastewater treatment plant in Half Moon Bay. Executing that agreement would commit the District, as non-federal sponsor, to share in the study's costs. In FY2026-27, the District will work with SAM to develop a funding agreement and seek outside funding for the non-federal cost share.

For further information, refer to the Letter of Transmittal.

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash and investments	$ 55,928,044
Interest receivable	439,283
Taxes receivable	113,172
Intergovernmental receivable	518,787
Prepaid expenses	36,227
Capital assets, net of accumulated depreciation	
Nondepreciable	5,304,223
Depreciable	32,527,205
Total Assets	94,866,941
Liabilities	
Accounts payable	1,099,136
Other liabilities	361
Unearned revenue	2,136,170
Long-term liabilities	
Accrued vacation and leave - due within one year	54,730
Accrued vacation and leave - due beyond one year	6,207
Total Liabilities	3,296,604
Net Position	
Net investment in capital assets	37,329,424
Unrestricted	54,240,913
Total net position	$ 91,570,337

The accompanying notes are an integral part of this statement.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Statement of Activities
For the Year Ended June 30, 2026

	Governmental Activities
Program Expenses	
Public protection	$ 4,762,323
Depreciation expense	1,059,558
Interest on long-term liabilities	50,833
Total Program Expenses	5,872,714
Program Revenues	
Operating grants and contributions	2,802,504
Capital grants and contributions	997,285
Total Program Revenues	3,799,789
Net Program Expenses	(2,072,925)
General Revenues	
Property tax	9,011,428
Interest and investment income	1,812,136
Gain on extinguishment of debt	1,444,372
Other	13,742
Total General Revenues	12,281,678
Change in Net Position	10,208,753
Net Position - Beginning	81,361,584
Net Position - Ending	$ 91,570,337

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
Fund Financial Statements

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Governmental Funds
Balance Sheet
June 30, 2026

	General Fund	Colma Creek Flood Control Fund	San Bruno Creek Flood Control Fund	Bayfront Canal Atherton Capital Project Fund	Burlingame-Millbrae SFO Shoreline Capital Project Fund	Early Flood Warning System Capital Project Fund	Brisbane Living Shoreline Capital Project Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets										
Cash and investments	$ 6,378,993	$ 42,497,159	$ 3,992,884	$ 82,251	$ 964,341	$ -	$ -	$ -	$ 2,012,416	$ 55,928,044
Receivables:										
Taxes receivable	-	97,845	8,186	-	-	-	-	-	7,141	113,172
Grants receivable	229,628	-	142,597	-	146,562	-	-	-	-	518,787
Interest receivable	48,401	341,534	32,373	767	-	-	-	-	16,208	439,283
Dues from other funds	381,913	-	-	-	-	-	-	-	-	381,913
Other assets	9,788	2,153	9,586	14,679	-	21	-	-	-	36,227
Total Assets	$ 7,048,723	$ 42,938,691	$ 4,185,626	$ 97,697	$ 1,110,903	$ 21	$ -	$ -	$ 2,035,765	$ 57,417,426
Liabilities										
Accounts payable	$ 51,509	$ 670,091	$ 302,123	$ 12,036	$ 63,172	$ -	$ -	$ -	$ 205	$ 1,099,136
Unearned revenues	997,457	3,800	-	85,661	1,049,252	-	-	-	-	2,136,170
Other liabilities	361	-	-	-	-	-	-	-	-	361
Dues to other funds	-	-	-	-	-	376,543	5,370	-	-	381,913
Total Liabilities	$ 1,049,327	$ 673,891	$ 302,123	$ 97,697	$ 1,112,424	$ 376,543	$ 5,370	$ -	$ 205	$ 3,617,580
Fund Balances										
Nonspendable	9,788	2,153	9,586	14,679	-	21	-	-	-	36,227
Assigned	5,989,608	42,262,647	3,873,917	-	-	-	-	-	2,035,560	54,161,732
Unassigned	-	-	-	(14,679)	(1,521)	(376,543)	(5,370)	-	-	(398,113)
Total Fund Balances	5,999,396	42,264,800	3,883,503	-	(1,521)	(376,522)	(5,370)	-	2,035,560	53,799,846
Total Liabilities and Fund Balances	$ 7,048,723	$ 42,938,691	$ 4,185,626	$ 97,697	$ 1,110,903	$ 21	$ -	$ -	$ 2,035,765	$ 57,417,426

The accompanying notes are an integral part of this statement.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2026

Fund balances - total governmental funds	$ 53,799,846
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	37,831,428
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued vacation and leave	(60,937)
Net position of governmental activities	$ 91,570,337

The accompanying notes are an integral part of this statement.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2026

	General Fund	Colma Creek Flood Control Fund	San Bruno Creek Flood Control Fund	Bayfront Canal Atherton Capital Project Fund	Burlingame-Millbrae SFO Shoreline Capital Project Fund	Early Flood Warning System Capital Project Fund	Brisbane Living Shoreline Capital Project Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues										
Property tax	$ -	$ 7,804,475	$ 573,552	$ -	$ -	$ -	$ -	$ -	$ 633,401	$ 9,011,428
County contributions	837,500	-	-	-	-	-	-	-	-	837,500
City contributions	260,000	-	-	-	-	25,000	-	-	-	285,000
Intergovernmental revenues	1,355,775	49,548	273,441	-	-	-	-	-	1,240	1,680,004
Capital grants and contributions	-	-	-	67,653	1,273,770	-	-	-	-	1,341,423
Interest and investment income (loss)	185,398	1,407,771	154,817	4,460	-	-	-	1	59,689	1,812,136
Other	2,341	11,401	-	-	-	-	-	-	-	13,742
Total Revenues	2,641,014	9,273,195	1,001,810	72,113	1,273,770	25,000	-	1	694,330	14,981,233
Expenditures										
Current:										
Salaries and benefits	654,895	-	-	-	-	-	-	-	-	654,895
Services and supplies	833,817	1,506,778	705,084	-	-	-	-	8,634	963,449	4,017,762
Capital outlay	-	776,603	509,353	72,113	948,157	197,411	5,370	-	-	2,509,007
Debt service - principal	-	-	-	-	-	-	-	12,200,000	-	12,200,000
Debt service - interest	-	-	-	-	-	-	-	305,000	-	305,000
Total Expenditures	1,488,712	2,283,381	1,214,437	72,113	948,157	197,411	5,370	12,513,634	963,449	19,686,664
Other Financing Sources (Uses):										
Transfers in	54,963	-	-	-	-	-	-	12,504,915	-	12,559,878
Transfers out	-	(12,543,348)	(11,450)	-	-	-	-	-	(5,080)	(12,559,878)
Total Other Financing Sources (Uses)	54,963	(12,543,348)	(11,450)	-	-	-	-	12,504,915	(5,080)	-
Net Change in Fund Balances	1,207,265	(5,553,534)	(224,077)	-	325,613	(172,411)	(5,370)	(8,718)	(274,199)	(4,705,431)
Fund Balances - Beginning	4,792,131	47,818,334	4,107,580	-	(327,134)	(204,111)	-	8,718	2,309,759	58,505,277
Fund Balances - Ending	$ 5,999,396	$ 42,264,800	$ 3,883,503	$ -	$ (1,521)	$ (376,522)	$ (5,370)	$ -	$ 2,035,560	$ 53,799,846

The accompanying notes are an integral part of this statement.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the Year Ended June 30, 2026

Net change in fund balances - total governmental funds		$ (4,705,431)
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 and infrastructure	$ 2,509,007	
Less capital project fund soft costs reflected as capital outlay	(79,614)	
Less current year depreciation	(1,059,558)	1,369,835
Unavailable revenues are reported as deferred inflows of resources in the governmental funds, but are recognized as revenues in the statement of activities.		(344,138)
Repayment and defeasance of long-term liabilities are expenditures and other financing uses in the governmental funds but reduce long-term liabilities in the statement of net position		
Repayment of bond principal	12,200,000	
Defeasance of bond premium	1,418,013	
Defeasance of deferred gain on refunding	26,359	13,644,372
Change in accrued interest		254,167
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 vacation leave		(10,052)
Change in net position of governmental activities		$10,208,753

The accompanying notes are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

1. FINANCIAL REPORTING ENTITY

On February 23, 2016, the San Mateo County Board of Supervisors (County Board) approved a report entitled "Improving Flood Control in San Mateo County's Areas of Responsibilities" (Report) and approved Resolution No. 074363 for an Appropriation Transfer Request to begin implementation of the Report's recommendations. This included funding totaling $6.2 million from the County general fund over a three-year period to establish a program to address flood risks in the County's areas of responsibility as outlined in the Report.

In May 2017, the City/County Association of Governments of San Mateo County (C/CAG)'s Countywide Water Coordination Committee (Committee) was established, which consisted of seven city elected officials and one member of the County Board. In April 2018, the Committee convened a Staff Advisory Team (SAT) comprised of 18 staff-level representatives from C/CAG, the County, cities, and other water-related or interested agencies to help develop a proposal to establish a new water management agency.

The new entity was officially formed effective January 1, 2020. Its formation followed development by the SAT, in coordination with the Committee, of an overall roadmap described in the "Flood and Sea Level Rise Resiliency Agency Proposal" (Proposal), dated December 21, 2018. This County Board reviewed and approved the Proposal on January 29, 2019. The Proposal provided for revisions, through special legislation, to the 1959 San Mateo Flood Control District Act (Act). These revisions changed the District's governance from the County Board to a seven-member board consisting of five city members and two County Board members. The revisions also enhanced authorities related to sea level rise and coastal erosion, clarified funding and financing authorities to reflect current state regulations/constitutional restrictions, and changed the name of the entity to the Flood and Sea Level Rise Resiliency District. The District's mission and role is to address sea level rise, flooding, coastal erosion, and large-scale stormwater infrastructure improvements through integrated regional planning, design, permitting, project implementation, and long-term operations and maintenance to create a resilient "one shoreline" approach in San Mateo County by 2100.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities report the financial activities of the District as a whole. The statement of activities presents a comparison between direct expenses and related program revenues. Direct expenses are those that are specifically associated with the District's operations. Program revenues include operating and capital grants and contributions supporting the District's programs and projects. Any revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, which are each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

- The *General Fund* serves as the District's primary operating fund and accounts for all financial resources and transactions of the District, except those accounted for in another fund.
- The *Colma Creek Flood Control Fund* accounts for funds that support various flood control projects within Colma Creek. This fund is financed by property taxes.
- The *San Bruno Creek Flood Control Fund* accounts for funds that support various flood control projects within the City of San Bruno, City of South San Francisco and unincorporated County land. This fund is financed by property taxes.
- The *Bayfront Canal Atherton Capital Project Fund* accounts for the construction, operation, maintenance, and post-construction mitigation of the Bayfront Canal and Atherton Channel Flood Protection and Ecosystem Restoration Project. During major storms, the project diverts flows to adjacent U.S. Fish and Wildlife Service ponds to reduce flooding in nearby neighborhoods. The fund is financed by grants and contributions from Redwood City, Menlo Park, the Town of Atherton, and the County of San Mateo.
- The *Burlingame-Millbrae SFO Shoreline Capital Project Fund* accounts for the planning, design, and environmental review of the Millbrae and Burlingame Shoreline Resilience Project. The project is intended to protect the shoreline and regionally significant infrastructure near San Francisco International Airport from sea level rise and extreme storms. The fund is financed by grants from the State Coastal Conservancy and the Federal Emergency Management Agency (FEMA).
- The *Early Flood Warning System Capital Project Fund* accounts for the expansion and maintenance of the District's countywide Flood Early Warning System. The system is a network of stream, precipitation, and tide gauges that monitors flood risk in real time for emergency responders and the public. The fund is financed by grants from San Mateo County Measure K and the California Department of Water Resources.
- The *Brisbane Living Shoreline Capital Project Fund* accounts for the planning and design of the Brisbane Living Shoreline Project. The project aims to restore eelgrass and native oyster habitat and to show how living shorelines can reduce wave impacts along the Brisbane shoreline. The fund is financed by a San Francisco Bay Restoration Authority Measure AA grant.
- The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The District reports the following non-major governmental funds:

- *San Francisquito Creek Flood Control Fund* accounts for creek improvement activities in San Francisquito Creek. This fund is financed by property taxes levied from this flood zone.
- *Ravenswood Slough Flood Control Zone Fund* accounts for flood control projects in the Ravenswood Slough Flood Control Zone. This fund is financed by property taxes levied from this flood zone.

(b) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and grant and contribution revenues from reimbursement type programs are considered to be available when they are collectible within two months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred.

(c) Implementation of Governmental Accounting Standards Board (GASB) Statements

The District implemented the provisions of GASB Statements No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The District revised the presentation of the management's discussion and analysis in accordance with the new standard, but determined that there was not a resulting significant change in financial reporting for the year ended June 30, 2026.

The District evaluated provisions of GASB Statements No. 104, *Disclosure of Certain Capital Assets,* for the year ended June 30, 2026. This Statement requires that certain types of capital assets be disclosed separately by major class in the capital asset note. The District determined that the standard did not have a significant impact on financial reporting for the year ended June 30, 2026.

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements of GASB Statements No. 105, *Subsequent Events*, effective for the District's fiscal year ending June 30, 2027.

(d) Investment Valuation

Investments are carried at fair value, except for investments in the Local Agency Investment Fund (LAIF). Fair value is based on current market prices. The value of the District's share in LAIF is determined on an amortized cost basis, which approximates fair value.

(e) Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

(f) Prepaid Items

Certain payments to external parties reflect costs applicable to future accounting periods and are recognized as prepaid items in both government-wide and fund financial statements. Prepayments are amortized and recognized as expenditures in the period consumed using the consumption method.

(g) Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if historical cost is not available. The District defines capital assets as assets with an initial unit cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in government-wide financial statements. Depreciable capital assets currently held by the District consist of infrastructure with estimated useful lives of 25 to 50 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leases

Under the provisions of GASB Statement No. 87, the District is required to recognize a lease liability and an intangible right-to-use lease asset as a lessee and a lease receivable and a deferred inflow of resources as a lessor. The District's policy is to record leases with an initial net present value of $50,000 or more.

(i) Accrued Vacation and Leave

The District allows employees to accumulate earned but unused vacation and leave time up to a specified maximum, which is eligible for payment upon separation from the District. The liability for such time is reported as incurred in the government-wide financial statements. The liability for those amounts is recorded in the governmental funds only if the liability is considered due and payable. The liability for accrued vacation and leave includes the District's share of social security and Medicare contributions payable on behalf of the employees. The District estimates the current portion of accrued vacation and leave based on prior year usage.

(j) Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time.

(k) Property Tax

Secured taxes are distributed from the County of San Mateo to the District monthly on the basis of the County's apportionment. The County levies, bills, and collects taxes as follows:

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

(l) County Contributions

The District receives annual contributions from the County of San Mateo. Financial obligations are determined each year based on the budget of the District, which is established by the Board of Directors.

(m) Due From/Due To Other Funds and Transfers

Due from/due to other funds are short-term balances between funds, generally arising from temporary cash flow needs or reimbursements. They are expected to be repaid within one year and are reported on the governmental funds balance sheet.

Interfund transfers move resources between funds with no expectation of repayment. They are reported as other financing sources (uses) in the statement of revenues, expenditures, and changes in fund balances. Interfund balances and transfers among governmental funds are eliminated in the government-wide financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment Earnings

The District earns interest quarterly from the Local Agency Investment Fund (LAIF) and monthly on its investments with U.S. Bank.

(o) Accounting Estimates

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

(p) Net Position

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. To determine the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers restricted net position to have been depleted before unrestricted net position is applied.

3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2026 consist of the following:

Investments with financial institutions	$	53,487,132
Deposits with financial institutions		2,440,912
Total cash and cash equivalents	$	55,928,044

(a) Deposits

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. As of June 30, 2026, cash balances in bank were insured up to $250,000 per insured bank by the Federal Deposit Insurance Corporation for a total of $500,000. At June 30, 2026, $1,940,912 was uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the name of the District.

3. CASH AND INVESTMENTS (Continued)

(b) Investments

Investment Policy

The District's investment policy addresses safekeeping and custody practices with financial institutions in which the District deposits funds, types of permitted investment instruments, and the percentage of the portfolio that may be invested in certain instruments. The objectives of the policy, in order of priority, are safety, liquidity, and return on investments.

The table below identifies the investment types that are authorized by the investment policy. The table also identifies certain provisions of the investment policy that address interest rate risk and concentration of credit risk. The investment policy places maturity limits based on the type of security.

Authorized Investments	Maximum Percentage of District Portfolio	Maximum Percentage Acquired from Single Issuer	Maximum Maturity	Credit Rating Requirements (1)
U.S. Treasury Obligations	No limit	No limit	None	None
Federal Agency or United States Government-Sponsored Enterprise Obligations	No limit	No limit	None	None
Obligations of the State of California or Any Local Agency Within the State	20%	No limit	None	A
Registered Treasury Notes or Bonds of Any of the Other 49 States in Addition to California	20%	No limit	None	A
Commercial Paper (2)	20%	No limit	270 days	None
Negotiable Certificates of Deposit	30%	No limit	None	A (long-term) A-1 (short-term)
Mortgage and Asset Backed Securities	20%	No limit	None	AA
Demand Deposits	No limit	No limit	None	None
Passbook Savings Accounts - Collateralized	No limit	No limit	None	None
Shares of Beneficial Interest Issued by Diversified Management Companies	20%	10%	None	None
Repurchase Agreements (3)	No limit	No limit	None	None
Local Agency Investment Fund (State Pool)	Maximum amount permitted by the State Treasurer	No limit	None	None
San Mateo County Pool	No limit	No limit	None	None
Local Government Investment Pools (LGIPs)	No limit	No limit	None	AAA
Bankers' Acceptances	40%	30%	180 days	None
Medium-Term Notes	30%	No limit	5 years	A
Supranational Entities USD Denominated Senior Unsecured Unsubordinated Obligations	30%	No limit	5 years	AA

(1) Ratings listed are the required minimum investment security ratings assessed by a nationally recognized statistical-rating organization (NRSRO).
(2) No more than 5% of outstanding commercial paper investments can be invested in the Energy industry/sector.
(3) Overnight Repurchase Agreement shall be used solely as a short-term investment not to exceed 3 days.

3. CASH AND INVESTMENTS (Continued)

District Investments

As of June 30, 2026, the District's investments consisted of the following:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years) Less than 1	1 to 5	Fair Value
Local Agency Investment Fund	N/A	$ 27,685,081	$ -	$ 27,685,081
U.S. Treasury	N/A / Aa1	197,354	10,908,930	11,106,284
Corporate	A- to AAA / A1 to Aa3	-	14,326,132	14,326,132
Municipal	AA- to AA+ /Aa2	155,120	214,515	369,635
Total Investments		$ 28,037,555	$ 25,449,577	$ 53,487,132

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the fair value of an investment. In accordance with the investment policy, the Chief Finance Officer manages the risk exposure by limiting the weighted average maturity of its investment portfolio to not more than two years at any time. The weighted average maturity of the District's investment portfolio at June 30, 2026 was 541 days.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The investment policy sets limits to certain investment types specifying the amount the District may invest in any one issuer. As of June 30, 2026, the District's investments in Federal Home Loan Mortgage Corporation comprised 9.6% of total investments.

Local Agency Investment Fund

As of June 30, 2026, the District's investment in the Local Agency Investment Fund (LAIF) was $27.7 million, and the total amount invested by all participating agencies in LAIF is $29.4 billion. The Local Investment Advisory Board (LIAB), which consists of five members as designated by State statute, provides oversight for LAIF. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. LAIF is part of the Pooled Money Investment Account (PMIA), which is not SEC-registered. As of June 30, 2026, the PMIA balance was $193.1 billion. The average maturity of PMIA investment was 269 days as of June 30, 2026. LAIF is not rated by credit rating agencies.

Fair Value Measurement

The District prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

3. CASH AND INVESTMENTS (Continued)

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

Authorized investments in which the District can invest are outlined in the District's current effective investment policy, which are summarized in the "Investment Policy" section above.

The District's investments by fair value as of June 30, 2026 included the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
U.S. Treasury notes	$ 11,106,284	$ 11,106,284	$ -
Medium Term notes	14,326,132	-	14,326,132
Municipal Notes	369,635	-	369,635
Total investments subject to fair value hierarchy	**25,802,051**	**$ 11,106,284**	**$ 14,695,767**
Investments not subject to fair value hierarchy:			
Local agency investment funds held by State Treasury	$ 27,685,081		

4. CAPITAL ASSETS

Capital assets activity for the District for the year ended June 30, 2026 is as follows:

	Balance July 1, 2025	Additions	Transfers	Balance June 30, 2026
Non-Depreciable Capital Assets:				
Land	$ 702,962	$ -	$ -	$ 702,962
Easements	92,419	-	-	92,419
Construction in Progress	3,931,514	2,195,370	(1,618,042)	4,508,842
Total non-depreciable capital assets	4,726,895	2,195,370	(1,618,042)	5,304,223
Depreciable capital assets:				
Infrastructure	48,828,720	234,023	1,618,042	50,680,785
Less accumulated depreciation:				
Infrastructure	(17,094,022)	(1,059,558)	-	(18,153,580)
Depreciable capital assets, net	31,734,698	(825,535)	1,618,042	32,527,205
Total Capital Assets, net	$ 36,461,593	$ 1,369,835	$ -	$ 37,831,428

Construction in process additions for the year ended June 30, 2026 primarily represent work performed on the Colma Creek Flood Zone and San Bruno Creek Flood Zone.

5. LONG-TERM LIABILITIES

The District's long-term liabilities as of June 30, 2026 are as follows:

	Balance 7/1/2025	Additions		Retirements	Balance 6/30/2026	Amounts Due Within 1 Year
Revenue refunding bonds	$ 12,200,000	$ -		$ (12,200,000)	$ -	$ -
Add: unamortized premium	1,418,013	-		(1,418,013)	-	-
Revenue refunding bonds, net	13,618,013	-		(13,618,013)	-	-
Accrued vacation leave	50,885	10,052	*	-	60,937	54,730
Total Governmental Activities	$ 13,668,898	$ 10,052		$ (13,618,013)	$ 60,937	$ 54,730

* The change in the compensated absences liability is presented as a net change.

(a) 2015 Revenue Refunding Bonds

In August 2015, the San Mateo County Flood Control District (the "Flood Control District") issued $18.7 million in Revenue Refunding Bonds (the "2015 Revenue Refunding Bonds") with a bond premium of $2.8 million to refund the County Joint Powers Financing Authority's (JPFA) outstanding balance of its 1997 Certificates of Participation (COPs) and 2004 COPs and to pay its costs of issuance. The Flood Control District pledged its revenues to repay the 2015 Revenue Refunding Bonds through August 2035.

Revenue refunding bonds are pledged by all revenues, income and investment earnings, received by Colma Creek Flood Control Zone (Colma Creek), including the ad valorem taxes levied by the County and allocable to the Colma Creek. There is no right of acceleration under the indenture in an event of default. In the event of default, the trustee, U.S. Bank National Association, shall exercise its rights to indemnification and protection from liability under the indenture and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the bonds. The trustee shall be entitled to interest on all amounts advanced by it under the indenture at the maximum interest rate permitted by law. Notwithstanding the foregoing, the trustee shall not be required to advance its own funds. The trustee in its individual or other capacity may become the owner or pledgee of the bonds with the same rights it would have if it were not the trustee.

When the District was formed effective January 1, 2020, it assumed the obligations associated with this debt formerly connected to the original County Flood Control District. On July 31, 2025, the District prepaid these bonds in full.

(b) Compensated Absences

Vacation time accrues at a rate of 160 hours annually for the Chief Executive Officer and at a rate of 96 hours annually for other District employees for the first four years of employment with the District, and at a rate of 144 hours annually for other District employees after four years of employment with the District, with a cap of 220 hours. Additionally, the Chief Executive Officer earns management leave accrual at a rate of 40 hours annually.

6. LEASE

The District leases office space for its operations. The lease is periodically extended through amendments to the original agreement, and the current term expires on December 31, 2026. Because the maximum possible term of the lease, including any options to extend, is 12 months or less, the lease meets the definition of a short-term lease under GASB Statement No. 87, *Leases*. Accordingly, the District recognizes lease payments as expenditures/expenses based on the payment provisions of the lease contract, and no lease asset or lease liability is reported. Lease payments totaled $88,380 for the year ended June 30, 2026.

7. REVENUES

(a) County Contributions

Pursuant to the resolution approved by the San Mateo County Board of Supervisors on January 29, 2019, the County is expected to make annual contributions to the District until such time that the District is able to secure adequate independent funding sources of its own. For the year ended June 30, 2026, the County made contributions of $837,500 as prescribed by its Board resolution.

(b) Property Tax

The District receives monthly property tax payments from the County of San Mateo based on the County's apportionment factor calculations. The District's property tax revenue amounted to $9,011,428 for the year ended June 30, 2026.

(c) Capital Grant Contributions

The District also receives capital grant contributions for specific projects. For the year ended June 30, 2026, the District incurred capital project costs on the Bayfront Canal Atherton Capital Project, Burlingame-Millbrae SFO Shoreline Capital Project, Early Flood Warning System Capital Project and Brisbane Living Shoreline Capital Project.

8. FUND BALANCE

Governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the District's governmental funds are made up of the following:

(a) Nonspendable Fund Balance – includes amounts that are (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as prepaid amounts.

(b) Restricted Fund Balance – includes amounts that are restricted for specific purposes due to external sources or enabling legislation. The District does not hold restricted fund balances as of June 30, 2026.

(c) Committed Fund Balance – includes amounts that can only be used for specific purposes through resolutions authorized by the District's Board of Directors. The District does not hold committed fund balances as of June 30, 2026.

8. FUND BALANCE (Continued)

(d) Assigned Fund Balance – includes amounts intended to be used by the District for specific purposes that are not restricted. Intent is expressed by (1) the Board of Directors or (2) a body (for example: a budget or finance committee) or official to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances represent all District activities outside of debt service operations, which are encompassed under the restricted fund category. These costs are intended for specific purposes, but are not restricted.

(e) Unassigned Fund Balance – includes the residual classification that includes all amounts not contained in other classifications. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The District's Burlingame-Millbrae SFO Shoreline Capital Project Fund, Early Flood Warning System Capital Project Fund and Brisbane Living Shoreline Capital Project Fund held deficit fund balances as of June 30, 2026. The fund deficits are due to timing differences in the receipt of external funding, which is anticipated to resolve the deficits upon collection. In the interim, the General Fund has provided coverage for these shortfalls pending the receipt of the external funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

9. INTERFUND BALANCES AND TRANSFERS

The District's Early Flood Warning System Capital Project Fund expended more funds than its available cash as of June 30, 2026, which resulted in a negative cash balance and required short-term borrowing from the District's General Fund in the amount of $376,522. The District's Early Flood Warning System Capital Project Fund expects to repay the amount due to the General Fund upon collection of its grants receivable.

The District's Brisbane Living Shoreline Capital Project Fund expended more funds than its available cash as of June 30, 2026, which resulted in a negative cash balance and required short-term borrowing from the District's General Fund in the amount of $5,370. The District's Brisbane Living Shoreline Capital Project Fund expects to repay the amount due to the General Fund upon collection of its grants receivable.

For the year ended June 30, 2026, the Colma Creek Flood Control fund made a transfer of $12,504,915 to the Debt Service Fund for the purpose to repay the 2015 Revenue Refunding Bonds in full.

10. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. By agreement, the District was an additional insured on the County of San Mateo's excess liability insurance coverage for the year ended June 30, 2022. Effective July 1, 2022, the District was covered under the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) Liability and Property Program. County Counsel provides legal representation for any claims or litigation of the District. The District engages with a separate insurance provider for workers' compensation insurance for employees with a limit of $1,000,000 per accident. The existing insurance policy for workers' compensation at the balance sheet date is valid through April 1, 2027. Claims have not exceeded coverage for the District since its inception on January 1, 2020.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget (*)
	Original	Final		
Revenues				
County contributions	$ 750,000	$ 750,000	$ 837,500	$ 87,500
City contributions	570,000	570,000	260,000	(310,000)
Intergovernmental revenues	1,346,175	1,346,175	1,355,775	9,600
Interest and investment income	90,553	90,553	185,398	94,845
Other	-	-	2,341	2,341
Total Revenues	2,756,728	2,756,728	2,641,014	(115,714)
Expenditures				
Current:				
Salaries and benefits	$ 1,076,592	$ 1,076,592	$ 654,895	$ 421,697
Services and supplies	1,567,068	1,567,068	833,817	733,251
Total Expenditures	2,643,660	2,643,660	1,488,712	1,154,948
Net Change in Fund Balance	$ 113,068	$ 113,068	1,152,302	$ 1,039,234
Budgetary Fund Balance - Beginning			4,792,131	
Budgetary Fund Balance - Ending			$ 5,944,433	
Other financing sources				
Operating transfers in			54,963	
GAAP Fund Balance			$ 5,999,396	

(*) OneShoreline has implemented the provisions of GASB Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026, which requires original-to-final budget variance data to be presented. However, OneShoreline did not have any budget amendments for the year ended June 30, 2026 and thus there is no variance between original and final budget amounts. OneShoreline thus does not include a column for the differences between original and final budget.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Colma Creek Flood Control Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget (*)
	Original	Final		
Revenues				
Property taxes	$ 6,081,606	$ 6,081,606	$ 7,804,475	$ 1,722,869
Intergovernmental revenues	-	-	49,548	49,548
Interest and investment income (loss)	551,219	551,219	1,407,771	856,552
Other	10,827	10,827	11,401	574
Total Revenues	6,643,652	6,643,652	9,273,195	2,629,543
Expenditures				
Current:				
Services and supplies	$ 3,168,000	$ 3,168,000	$ 1,506,778	$ 1,661,222
Capital outlay	-	-	776,603	(776,603)
Total Expenditures	3,168,000	3,168,000	2,283,381	884,619
Net Change in Fund Balance	$ 3,475,652	$ 3,475,652	6,989,814	$ 3,514,162
Budgetary Fund Balance - Beginning			47,818,334	
Budgetary Fund Balance - Ending			54,808,148	
Other financing uses				
Operating transfers out			(12,543,348)	
GAAP Fund Balance			$ 42,264,800	

(*) OneShoreline has implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2026, which requires original-to-final budget variance data to be presented. However, OneShoreline did not have any budget amendments for the year ended June 30, 2026 and thus there is no variance between original and final budget amounts. Oneshoreline thus does not include a column for the differences between original and final budget.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
San Bruno Creek Flood Control Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget (*)
	Original	Final		
Revenues				
Property taxes	$ 516,851	$ 516,851	$ 573,552	$ 56,701
Intergovernmental revenues	438,750	438,750	273,441	(165,309)
Interest and investment income (loss)	23,110	23,110	154,817	131,707
Total Revenues	978,711	978,711	1,001,810	23,099
Expenditures				
Services and supplies	$ 992,399	$ 992,399	$ 705,084	$ 287,315
Capital outlay	-	-	509,353	(509,353)
Total Expenditures	992,399	992,399	1,214,437	(222,038)
Net Change in Fund Balance	$ (13,688)	$ (13,688)	(212,627)	$ (198,939)
Budgetary Fund Balance - Beginning			4,107,580	
Budgetary Fund Balance - Ending			$ 3,894,953	
Other financing uses				
Operating transfers out			(11,450)	
GAAP Fund Balance			$ 3,883,503	

(*) OneShoreline has implemented the provisions of GASB Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026, which requires original-to-final budget variance data to be presented. However, OneShoreline did not have any budget amendments for the year ended June 30, 2026 and thus there is no variance between original and final budget amounts. OneShoreline thus does not include a column for the differences between original and final budget.

1. BUDGETS, BUDGETARY PROCESS, AND ENCUMBRANCES

The District adopts an annual operating budget. Annual budgets are prepared using the modified accrual basis of accounting, which is consistent with the basis used to present the District's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

The annual budget is adopted by the Board of Directors. The District has the flexibility to expend funds based on operational needs as long as expenditures do not exceed the approved budget.

The District uses an encumbrance system to assist in controlling expenditures. Purchase orders, contracts, and other commitments for the expenditures of monies are recorded under this system in order to reserve applicable appropriations. Encumbrances outstanding at year-end are reported in assigned fund balance as they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The District did not have outstanding encumbrances as of June 30, 2026.

2. EXPENDITURES LESS THAN BUDGET

For the fiscal year ended June 30, 2026, the District reported expenditures below budget in several funds. These favorable variances were primarily attributable to lower-than-anticipated spending on services and supplies, as milestones for several projects shifted into future fiscal years. Although the District continues to expand its operations and expects annual expenditures to increase, FY2025-26 expenditures did not reach the levels projected in the budget.

For the General Fund, the actual expenditures were $1.2 million less than budget. This variance was mainly due to the state-funded mobile home project, which remains in the necessary study and design phase. In addition, staff devoted more time than anticipated to projects in multiple flood zone funds and capital project funds, so staff costs originally budgeted to General Fund were reallocated to those funds instead.

For Colma Creek Flood Zone, actual expenditures were $0.9 million less than budget. This variance reflects conservative budgeting, efficient delivery of planning and design work at less than the budgeted cost, and changes to project schedules that moved budgeted amounts into FY2026-27.

For San Bruno Creek Flood Zone, actual expenditures were $0.2 million more than budget. The variance reflects the timing of the flood resilience project, which is funded by a Federal Emergency Management Agency (FEMA) grant and flood zone revenues. After issuing a request for proposals in July 2025, the District executed a consultant agreement. During the remainder of FY2025-26, work focused on refining hydrologic and hydraulic modeling, developing a decision framework, forming a Technical Advisory Committee of infrastructure owners, and conducting community engagement. Accordingly, design-phase costs were not incurred in FY2025-26. The District expects to complete the resilience plan in FY2026-27 and to advance one project to 30% design using FEMA grant funds, with design work continuing into FY2027-28.

SUPPLEMENTARY INFORMATION

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2026

	SFCF San Francisquito Creek Flood Control Fund	RSF Ravenswood Slough Flood Control Zone Fund	Total Nonmajor Governmental Funds
Assets			
Cash and investments	$ 1,387,044	$ 625,372	$ 2,012,416
Receivables			
Taxes receivable	6,796	345	7,141
Interest receivable	11,182	5,026	16,208
Total Assets	$ 1,405,022	$ 630,743	$ 2,035,765
Liabilities			
Accounts payable	$ 173	$ 32	$ 205
Fund Balances			
Assigned	1,404,849	630,711	2,035,560
Total Liabilities and Fund Balances	$ 1,405,022	$ 630,743	$ 2,035,765

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2026

	SFCF San Francisquito Creek Flood Control Fund	RSF Ravenswood Slough Flood Control Zone Fund	Total Nonmajor Governmental Funds
Revenues			
Property tax	$ 605,626	$ 27,775	$ 633,401
Intergovernmental revenues	1,187	53	1,240
Interest and investment income	37,234	22,455	59,689
Total Revenues	644,047	50,283	694,330
Expenditures			
Services and supplies	961,468	1,981	963,449
Total Expenditures	961,468	1,981	963,449
Other Financing Sources (Uses)			
Transfers Out	(5,080)	-	(5,080)
Total Expenditures	(5,080)	-	(5,080)
Net Change in Fund Balances	(322,501)	48,302	(274,199)
Fund Balances - Beginning	1,727,350	582,409	2,309,759
Fund Balances - Ending	$ 1,404,849	$ 630,711	$ 2,035,560

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
San Francisquito Creek Flood Control Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget (*)
	Original	Final		
Revenues				
Property taxes	$ 516,621	$ 516,621	$ 605,626	$ 89,005
Intergovernmental revenues	12,180	12,180	1,187	(10,993)
Interest and investment income (loss)	-	-	37,234	37,234
Total Revenues	528,801	528,801	644,047	115,246
Expenditures				
Current:				
Services and supplies	$ 1,013,195	$ 1,013,195	$ 961,468	$ 51,727
Total Expenditures	1,013,195	1,013,195	961,468	51,727
Net Change in Fund Balance	$ (484,394)	$ (484,394)	(317,421)	$ 166,973
Budgetary Fund Balance - Beginning			1,727,350	
Budgetary Fund Balance - Ending			$ 1,409,929	
Other financing sources				
Operating transfers out			(5,080)	
GAAP Fund Balance			$ 1,404,849	

(*) OneShoreline has implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2026, which requires original-to-final budget variance data to be presented. However, OneShoreline did not have any budget amendments for the year ended June 30, 2026 and thus there is no variance between original and final budget amounts. Oneshoreline thus does not include a column for the differences between original and final budget.

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Ravenswood Slough Flood Control Zone Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2026

	Budgeted Amounts		Actual Amount Budgetary	Variance with Final Budget
	Original	Final	Basis	(*)
Revenues				
Property taxes	$ 21,358	$ 21,358	$ 27,775	$ 6,417
Intergovernmental revenues	5,137	5,137	53	(5,084)
Interest and investment income (loss)	-	-	22,455	22,455
Total Revenues	26,495	26,495	50,283	23,788
Expenditures				
Current:				
Services and supplies	$ 3,410	$ 3,410	$ 1,981	$ 1,429
Total Expenditures	3,410	3,410	1,981	1,429
Net Change in Fund Balance	$ 23,085	$ 23,085	48,302	$ 25,217
Budgetary Fund Balance - Beginning			582,409	
Budgetary Fund Balance - Ending			$ 630,711	

(*) OneShoreline has implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2026, which requires original-to-final budget variance data to be presented. However, OneShoreline did not have any budget amendments for the year ended June 30, 2026 and thus there is no variance between original and final budget amounts. Oneshoreline thus does not include a column for the differences between original and final budget.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
San Mateo County Flood and Sea Level Rise Resiliency District
San Mateo, California

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Mateo County Flood and Sea Level Rise Resiliency District (District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 6, 2026

STATISTICAL SECTION
(Unaudited)

This part of OneShoreline's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about OneShoreline's overall financial health.

CONTENTS

FINANCIAL TRENDS

The last seven fiscal years' Summary of Net Positions by Component contains trend information to help the reader understand how OneShoreline's financial performance and well-being have changed over time.

REVENUE CAPACITY

The last seven fiscal years' Summary of Governmental Activities Revenues by Source contains information to help the reader assess OneShoreline's most significant sources of revenues: property tax, operating and capital grants, and interest and investment income.

OPERATING INFORMATION

The last seven fiscal years' Summary of Governmental Activities Expenses by Program and Summary of Capital Assets contain service and infrastructure data to help the reader understand how the information in OneShoreline's financial report relates to services that OneShoreline provides and the activities it performed.

The statistical section presents available data from the District's inception on January 1, 2020. Additional fiscal years will be added annually until ten years of historical data are presented.

TABLE 1 – NET POSITION BY COMPONENT LAST SEVEN FISCAL YEARS

(Accrual Basis of Accounting)

SAN MATEO COUNTY
FLOOD & SEA LEVEL RISE RESILIENCY DISTRICT
Summary of Net Position (Unaudited)
Last Seven Fiscal Years
(in thousands)

	Fiscal Year Ended June 30,						
	2020	2021	2022	2023	2024	2025	2026
NET POSITION							
Net investment in capital assets (1)	$ 9,887,211	$ 10,333,658	$ 18,061,076	$ 20,290,349	$ 20,961,452	$ 22,518,430	$ 37,329,424
Restricted for debt service	1,126,103	12,127	73	77	80	84	-
Unrestricted	32,167,205	37,166,741	39,033,665	43,801,170	50,420,780	58,843,070	54,240,913
TOTAL	$ 43,180,519	$ 47,512,526	$ 57,094,814	$ 64,091,596	$ 71,382,312	$ 81,361,584	$ 91,570,337

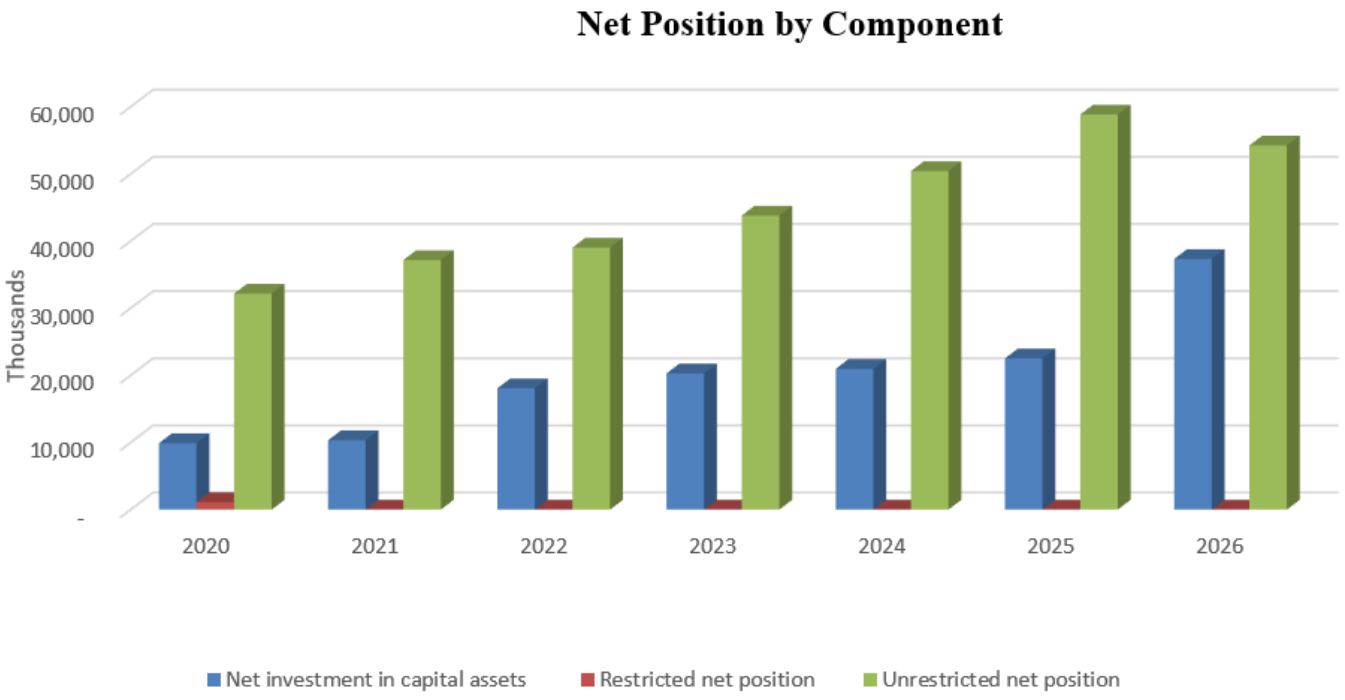


TABLE 2 – GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Summary of Governmental Activities Revenues by Source (Unaudited)
Last Seven Fiscal Years
(in thoursands)

	Fiscal Year Ended June 30,						
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Program Revenues							
Operating grants and contributions	$1,995	$1,612	$2,243	$1,446	$1,482	$2,509	$2,803
Capital grants and contributions	0	648	7,278	1,748	536	189	997
Total Program Revenues	$1,995	$2,260	$9,521	$3,195	$2,018	$2,698	$3,800
General Revenues							
Property tax	$3,500	$5,821	$6,370	$7,269	$7,943	$8,368	$9,011
Interest and investment income (loss)	243	(33)	(1,295)	113	2,051	3,083	1,812
Other	3	10	11	11	26	83	1,458
Total General Revenues	$3,746	$5,798	$5,086	$7,393	$10,020	$11,535	$12,282
Total Revenues	**$5,741**	**$8,058**	**$14,607**	**$10,588**	**$12,038**	**$14,233**	**$16,081**
Number of Employees (1)	**4**	**4**	**4**	**4**	**4**	**4**	**6**

Notes:
(1) Employees as of the end of the corresponding fiscal year.

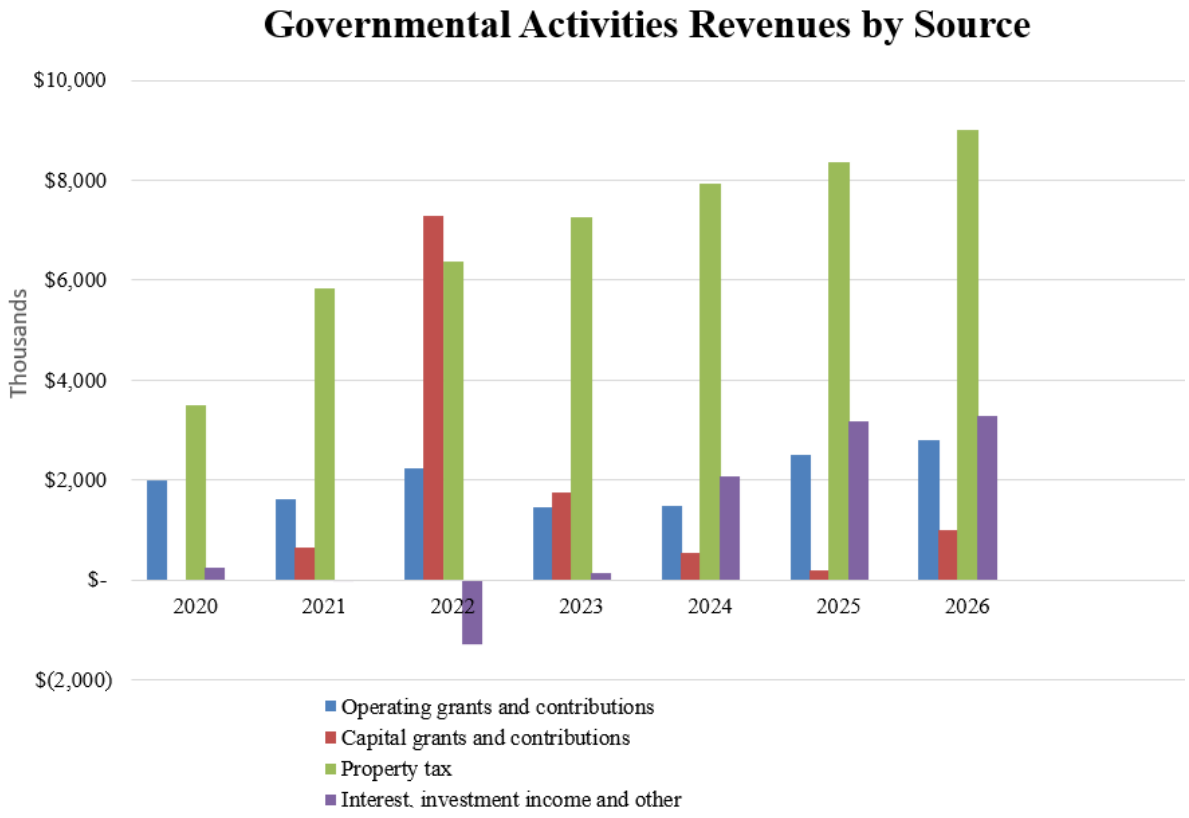


TABLE 3 – GOVERNMENTAL ACTIVITIES EXPENSES BY PROGRAM
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Summary of Governmental Activities Expenses by Program (Unaudited)
Last Seven Fiscal Years
(in thoursands)

	Fiscal Year Ended June 30,						
	2020	2021	2022	2023	2024	2025	2026
Program Expenses							
Public protection	$1,249	$2,310	$3,646	$2,063	$3,244	$2,785	$4,762
Depreciation expense	0	785	785	974	990	998	1,060
Interest on long-term liabilities	332	631	594	555	513	470	51
Total Expenses	$1,581	$3,726	$5,025	$3,591	$4,747	$4,254	$5,873

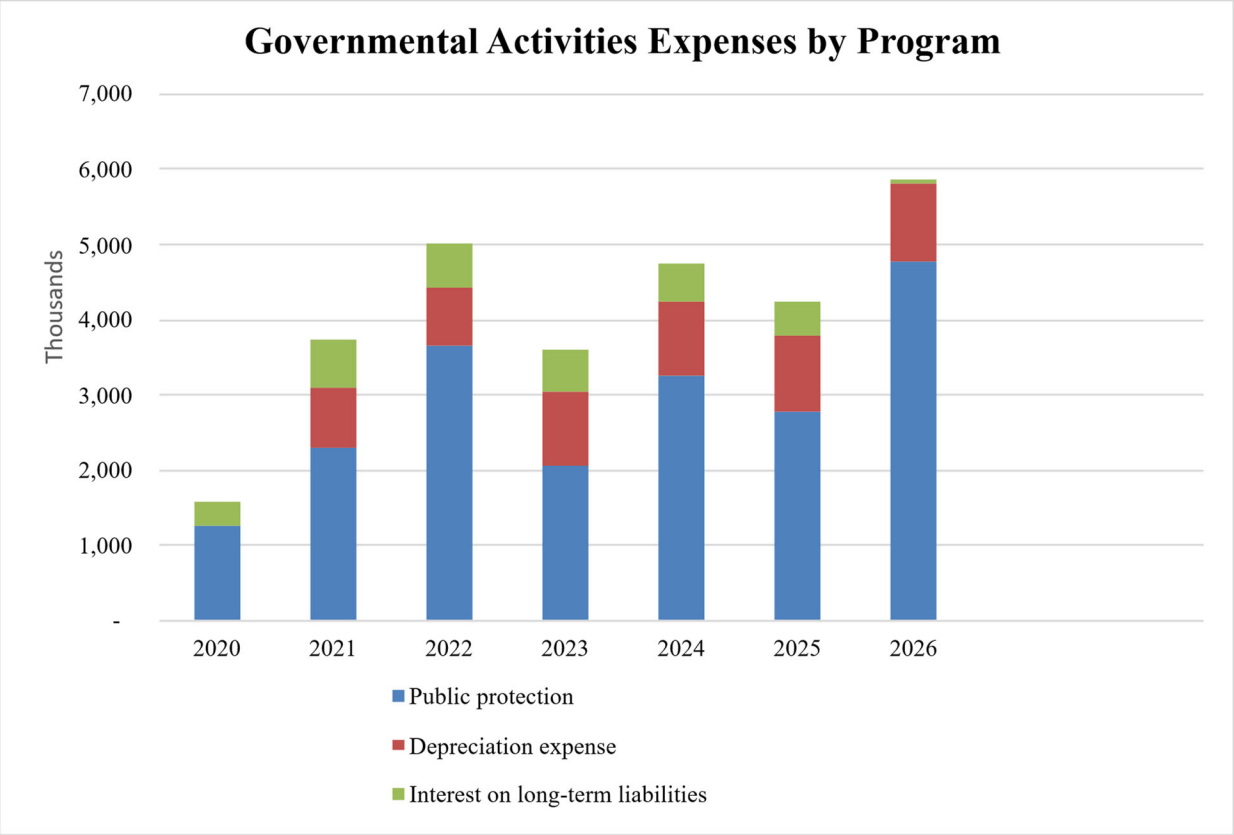


TABLE 4 – CAPITAL ASSETS LAST SEVEN FISCAL YEARS

(Accrual Basis of Accounting)

SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Summary of Capital Assets (Unaudited)
Last Seven Fiscal Years
(in thoursands)

	Fiscal Year Ended June 30,						
	2020	2021	2022	2023	2024	2025	2026
Capital Assets							
Land	$703	$703	$703	$703	$703	$703	$703
Easements	92	92	92	92	92	92	92
Construction in Progress	823	1,517	9,334	3,043	2,490	3,932	4,509
Depreciable capital assets, net	26,691	25,906	25,121	32,867	32,462	31,735	32,527
Total Capital Assets, net	$28,310	$28,219	$35,251	$36,705	$35,748	$36,462	$37,831

Notes:
Depreciable capital assets, net includes infrastructure.

