

NEWS

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For Immediate Release

Controller Releases Comprehensive Annual Financial Report

Pandemic stalls eight years of growth; diverse economy, skilled workforce and location should aid comeback

Redwood City — San Mateo County Controller Juan Raigoza released for public review the Fiscal Year 2019-20 Comprehensive Annual Financial Report (CAFR), a complete collection of audited financial statements, analysis, statistics, and other information about the County's finances.

Unlike the County budget which outlines where the funds are allocated for the upcoming two-year cycle, the CAFR details where and how the funds were spent in the previous fiscal year.

The CAFR's Letter of Transmittal section provides the public with a summary of the County's key financial policies, economic and financial outlook, and long-term financial planning. This year, it also includes a summary of expected expenditures, in response to the COVID-19 emergency, for major programs and activities put in place to protect the health and safety of the community.

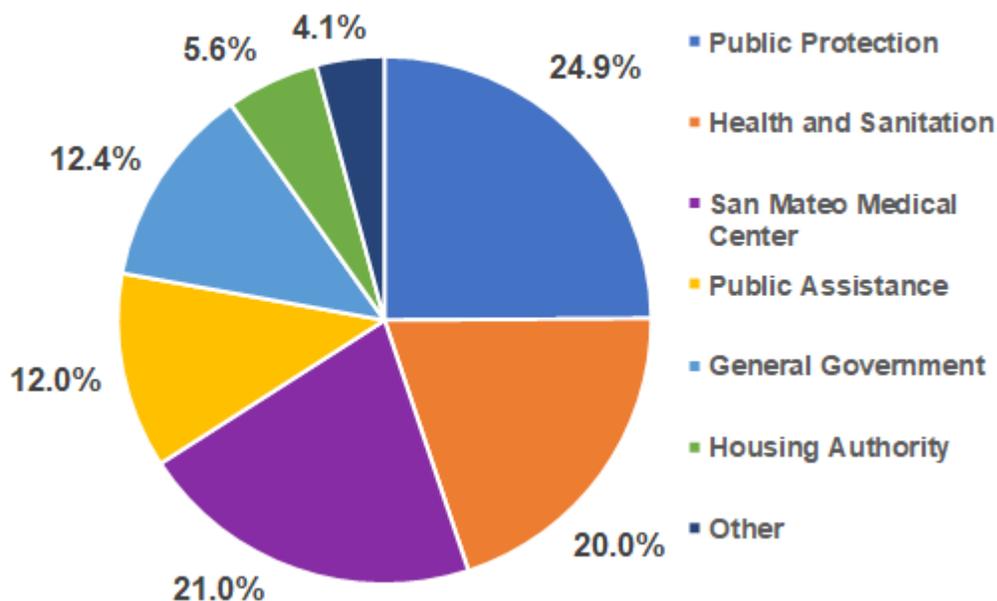
Prior to the COVID-19 pandemic, the county had experienced eight consecutive years of growth. That growth trend not only came to sudden stop in the county, and throughout the world, but contracted in early 2020. Recovering from this economic contraction has been slow due to the ongoing pandemic.

In 2020, the County acted to cut costs by implementing a hiring freeze and decreasing the budgets of almost all County departments for FY 2020-21. However, Raigoza said the County's diversified local economy, skilled workforce, and desirable location for both residents and businesses, should enable it to do well when the general economy recovers later in 2021 as more individuals receive a COVID-19 vaccine.

Highlights of this year's CAFR include:

- County’s government-wide revenues increased by \$143 million, or 7 percent, to \$2.2 billion, while expenses increased by \$220 million, or 13 percent, to \$1.9 billion. These amounts include federal CARES Act and FEMA funds received and spent to protect the community from the COVID-19 pandemic. More of these one-time federal monies will be received and used in FY 2020-21.
- County’s liabilities increased by \$195 million, or 11 percent, to \$2.0 billion, while assets increased by \$392 million, or 10 percent, to \$4.2 billion.
- Three core services comprised 78 percent of total County expenditures: 41 percent for health (includes San Mateo Medical Center), 25 percent for public safety, and 12 percent for public assistance services.

County Expenditures for FY 2019-20



The County has several major on-going capital projects to benefit the community, including construction of the Cordilleras Mental Health Facility and County Office Building 3, upgrade of San Mateo Health Campus, replacement of the County’s morgue, and significant improvements to Flood Park and Coyote Point Park.

The FY 2020-21 budget includes \$459 million for capital projects. These capital projects are needed to replace aging infrastructure and will cost millions in construction and on-going operational and maintenance expenditures. The County’s strong credit rating allows it to obtain financing for capital projects at relatively low interest rates.



Investments in capital projects and on-going operating expenses will continue to require robust budget planning and scrutiny to protect the County's long-term financial health and its ability to provide essential services to residents.

The Controller's Office also recently released the County's Financial Highlights report, otherwise known as the Popular Annual Financial Report (PAFR), which summarizes in a concise and easy to read manner the information presented in the longer CAFR. Both reports consistently earn national awards for excellence in financial reporting. "We believe this shows the commitment of the Controller's Office team, year-after-year, to provide quality financial reporting services," said Controller Raigoza.

"These two reports are two of several ways that our office and the County work to make the County's financial activities and status transparent and understandable to the public. These annual reports, County budget reports, Property Tax Highlights publications, and other information is available online for everyone to learn about the County's finances," Raigoza said.

Both the complete CAFR and Financial Highlights reports are available at <https://controller.smcgov.org/>

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