

COUNTY OF SAN BENITO

STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended

June 30, 2016



Prepared and submitted by the Office of the Auditor-Controller Joe Paul Gonzalez

COUNTY OF SAN BENITO

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COUNTY OF SAN BENITO

March 28, 2017

To the Honorable Board of Supervisors and Citizens of San Benito County:

I am pleased to present this Fiscal-Year 2015-2016 Comprehensive Annual Financial Report (CAFR) for the County of San Benito. This CAFR is intended to present information above and beyond what is required by generally accepted accounting principles or State Law.

This CAFR is in compliance with Sections 25250 & 25253 of the Government Code of the State of California. These statutes require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with generally accepted accounting principles (GAAP) and must be audited by an independent firm of certified public accountants (CPA). The independent CPA conducts the audit in conformance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS). The financial statements contained in this CAFR meet these requirements.

This report contains management's representations and is prepared by the Office of the County Auditor. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The County of San Benito's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants, who have issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2016. The auditors have concluded, based on their audit that the financial statements combined with the accompanying Notes, present fairly, in all material respects, the financial condition of San Benito County as of June 30, 2016. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of San Benito includes the broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of San Benito's separately issued Single Audit Report.

Management is required by the Government Accounting Standards Board to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) in conjunction with financial statement reporting. This

letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of San Benito's MD&A can be found immediately following the report of the independent auditors.

The CAFR is organized into three sections:

- The *Introductory Section* is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- The *Financial Section* includes the independent auditor's report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.
- The *Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: Financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

PROFILE OF THE COUNTY OF SAN BENITO

Overview of the County

San Benito County is located in the northwestern part of the State of California and is located approximately 85 miles south of San Francisco. The County of San Benito currently occupies over 1,396 square miles and serves a population of 58,792. Open space and agricultural land account for a great majority of this area. San Benito County was formed in 1874 from a portion of Monterey County. Thirteen years later, the state legislature expanded the county to include land in Fresno and Merced counties. Territorially, it has remained unchanged since 1887.

The western and southern boundary of San Benito County is established by a coastal range of mountains known as the Gabilans. To the east lie the Diablo Mountain range and Panoche Valley, separating San Benito County from Merced and Fresno Counties. To the north, the Pajaro River creates the Santa Clara and Santa Cruz County boundaries. San Benito County is the valley that stretches between these geographical features and reaches nearly eighty miles south to the Mustang Ridge. These lands are rich in Mexican and Spanish heritage. The fertile soil of the San Juan Valley portion of San Benito County is known for the colorful fields of row crops and prolific orchards.

San Benito County government is comprised of ten publicly elected officials including a five- member Board of Supervisors, the Clerk-Auditor-Recorder, the Assessor, the District Attorney, the Sheriff-Coroner and the Treasurer- Tax Collector-Public Administrator. A County Administrative Officer (CAO) is appointed by the Board of Supervisors and functions as the Chief Executive. Averaging 436 full time equivalent employees, the County government provides a full range of public services including public safety, roads and facilities, social services, administrative services, health services, sanitation, library, parks and recreational facilities and a variety of other general governmental services. Every resident of the County, directly or indirectly, benefits from these services. Most services performed by the County are provided for all residents, regardless of whether those residents live in cities or unincorporated areas.

In accordance with the County Budget Act in the California Government Code, the County adopts a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. The County maintains budgetary controls to assure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. If appropriations are not sufficient, Board of Supervisors-approved appropriation transfers are required before commitments or expenditures are permitted. Unencumbered annual appropriations lapse at year-end.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

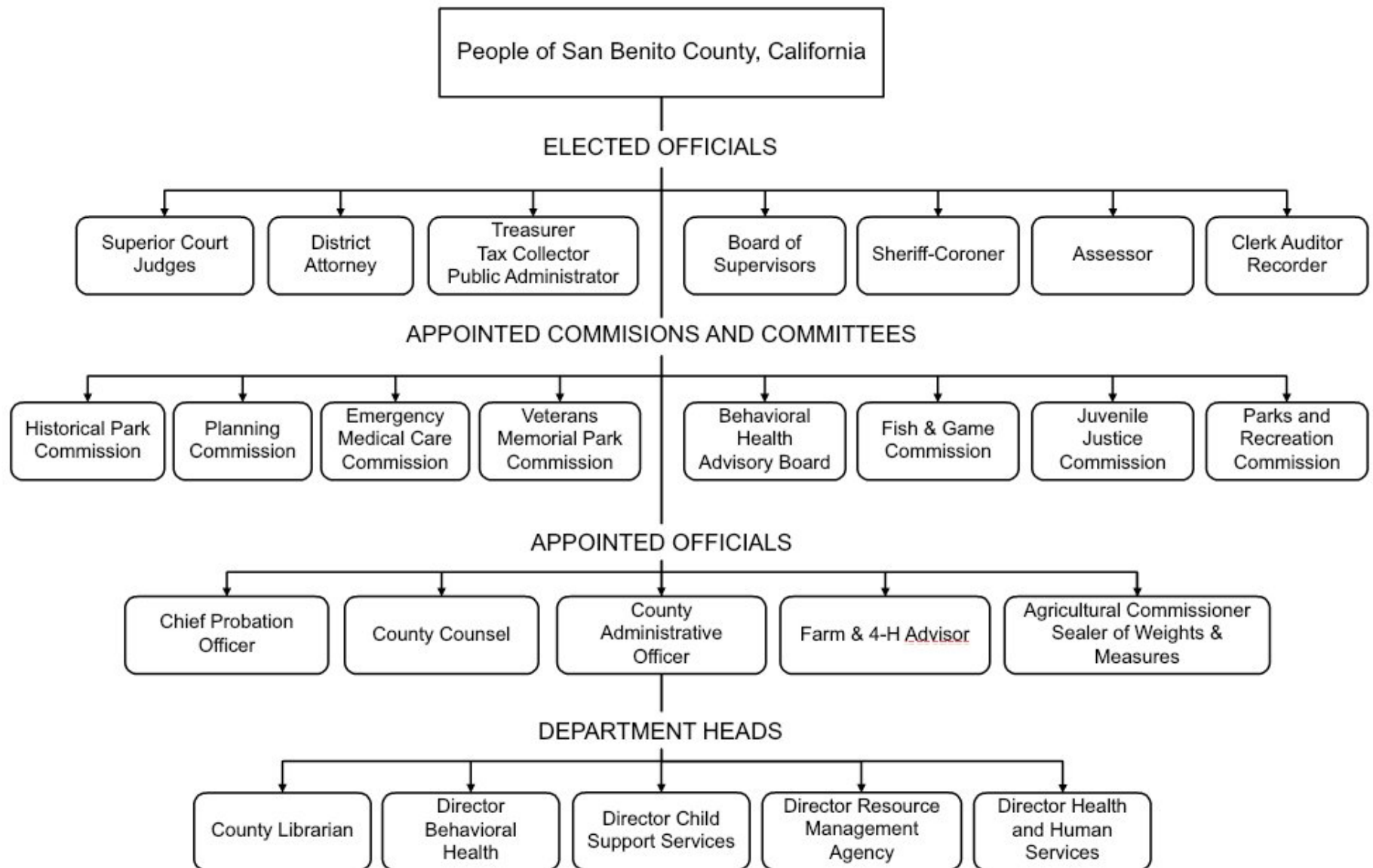
The County of San Benito's economy has continued to see positive signs of economic recovery after the global recession in the real estate and construction industry and the financial market meltdown. The Net Assessed Value of taxable property, along with the total taxes levied, have risen significantly for the second year and are approaching the highest experienced since 2008 and 2009. The unemployment rate in the County improved from 11.1% in 2013 to 9.3% in 2014, but is higher than the state's average of 7.5%. There was an increase in personal income of 6% in the same period, giving hope that the worst is over and the economy is on the upswing. All of these factors will impact the County's revenue and tax base.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Accounting Division of the Office of the Auditor. I would like to express my appreciation to all members of the Auditor's Office and County departments who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for their interest and support, and for their leadership, planning and conducting the financial operations of the County in a responsible and progressive manner. I also thank the accounting firm of CliftonLarsonAllen LLP, for their assistance and guidance in the preparation of this report.

Respectfully submitted,

Joe Paul Gonzalez
Auditor-Controller-Clerk-Recorder-Registrar



San Benito County Elected and Appointed Officials

Elected Officials

Board of Supervisors:

Margie Barrios	District 1
Anthony Botelho	District 2
Robert Rivas, Chair	District 3
Jerry Muenzer	District 4
Jaime De La Cruz	District 5

Assessor	Tom Slavich
Clerk, Auditor, Recorder	Joe Paul Gonzalez
District Attorney	Candice Hooper
Sheriff - Coroner	Darren Thompson
Treasurer, Tax Collector, Public Administrator	Mary Lou Andrade

Appointed Officials

Agricultural Commissioner – Sealer of Weights & Measures	Karen Overstreet
Chief Probation Officer	Ted Baraan
County Administrative Officer	Ray Espinosa
County Counsel	Matthew Granger
County Health Officer	Dr. Ira Lubell
Director - Child Support Services	Jamie Murray
Director - County Library	Nora Conte
Director - Health & Human Services Agency	James Rydingsword
Director - Mental Health Services	Alan Yamamoto
Director - Resource Management Agency	Brent Barnes
Director - U.C. Cooperative Ext. Service	Lynn Schmitt-McQuitty



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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Supervisors
County of San Benito
Hollister, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of San Benito (County), California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit First 5 San Benito which represents 100 percent of the assets, liabilities, and revenues of the discretely presented component unit. These financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion as it relates to the amounts included for the First 5 San Benito is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Members of the Board of Supervisors
County of San Benito

Emphasis of Matter

Prior period adjustments

As disclosed in Note 15 to the financial statements, prior period adjustments were recorded for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios and schedule of contributions, schedule of funding progress – other postemployment benefits, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

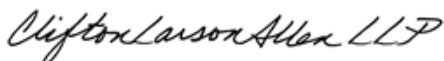
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
March 28, 2017

COUNTY OF SAN BENITO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

As management of the County of San Benito, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of San Benito for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements which follow this section.

I. FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year by \$118,086,876 (net position). Of this total, \$(1,314,985) represented unrestricted net position, which is not available to meet the County's ongoing obligations to citizens and creditors. \$26,212,249 represents restricted net position, which by its classification implies that there are restrictions put in place by entities outside of the County. The remaining \$93,189,612 represents the County's net investment in capital assets.
- The County's total adjusted net position increased by \$10,015,192 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$68,282,398, an increase of \$5,735,011 in comparison to the restated fund balance, explained in detail in Note 15. Approximately 26%, \$18,042,414, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$24,848,073 or approximately 89% of total general fund expenditures.
- Governmental fund tax revenue increased by 1.9% compared to the previous year.
- Landfill total net position increased by \$521 thousand to an ending balance of \$5.8 million.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the County of San Benito's basic financial statements. The County of San Benito's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how the County of San Benito's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The county has one business-type activity, the John Smith Landfill (solid waste fund).

Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable, and have the same, or substantially the same board as the County or provides services entirely to the County. The County Service Areas (CSA's) are an example of these. Financial data of the CSA's are combined with the presentation of the primary government's financial data and are therefore referred to as a "blended" component unit (see Note 1 for more details). On the other hand, a "discretely presented" component unit is one that is presented separately in the financial statements to emphasize its independence from the primary government. The County of San Benito has one discretely presented component unit, First 5 San Benito.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are separated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues,

Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *government-wide statements*.

The County maintains 30 individual governmental funds. For financial reporting purposes, information is presented separately for major funds: General Fund, Human Services Agency Fund, Road Fund, and Mental Health Fund. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for these four funds. Information for the remaining 26 governmental funds is combined into the presentation of Other Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located under the Supplementary Information section in this report, starting on page 90.

The governmental funds financial statements can be found on pages 20 - 23 of this report.

Proprietary Funds. include Enterprise Funds and Internal Service Funds. Enterprise funds report the same functions presented as the business-type activities in the government-wide financial statements. The County has one enterprise fund used to account for its Landfill-Solid Waste Operations. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. As these services are primarily a benefit to government rather than business-type functions, they would be included in the government-wide financial statements. The County does not currently use any Internal Service funds.

The proprietary fund financial statements can be found on pages 24 - 26 of this report.

Fiduciary Funds. are used to account for resources that are held for the benefit of third parties outside of the County. Fiduciary funds are not available to support the County's own programs. The County uses an Investment Trust Funds statement to detail the additions and deductions of net assets in the form of investment income, and receipt and withdrawals by depositors. As fiduciary funds are not County funds, detailed analysis of them will not be included in this discussion.

The basic fiduciary fund financial statements can be found on pages 27 - 28 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 30 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide other post-employment benefits (OPEB) to its employees. It also provides information about the County's proportionate share of the California Public Employees Retirement (CalPERS) Safety pension plan collective net pension liability and information regarding the County's contributions to CalPERS; as well as, the County's net pension liability for the Miscellaneous Pension Plan. Required supplementary information can be found beginning on page 71 of this report.

This section also includes budgetary comparison schedules which compare the budgeted amounts for the fiscal year with the actual activity for the County's Major Governmental Funds - the General Fund, the Human Services Agency, the Road Fund and the Mental Health Fund. This information shows how well

the County stayed within the budget constraints it set for itself.

The notes to the required supplementary information discuss the County’s budgetary basis of accounting and the policies and regulations it adheres to.

Combining and Individual Fund Statements and Schedules

The financial statements of the County’s non-major funds are represented here. It includes all other Special Revenue Funds and Capital Projects Fund and can be found beginning on page 90 of this report. Additional budget-to-actual comparison schedules are presented for all individual special revenue funds for which annual budgets are legally adopted, along with the budget-to-actual comparison for the Capital Projects Fund.

III. GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County, assets exceeded liabilities by \$118.1 million at the close of the most recent fiscal year.

County of San Benito
Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2016	2015	2016	2015	2016	2015	
Assets:							
Current and other assets	\$ 76,278	\$ 70,665	\$ 5,234	\$ 4,736	\$ 81,512	\$ 75,401	8.1%
Capital assets, net	92,365	93,871	825	876	93,190	94,747	-1.6%
Total assets	168,643	164,536	6,059	5,613	174,702	170,148	2.7%
Deferred outflows or resources:	5,755	4,582	13	12	5,768	4,594	25.6%
Liabilities:							
Current and other liabilities	5,974	23,817	132	105	6,106	23,922	-74.5%
Long-term liabilities	50,537	50,298	124	99	50,661	50,397	0.5%
Total liabilities	56,511	74,115	256	204	56,767	74,319	-23.6%
Deferred inflows of resources:	5,598	9,893	18	22	5,616	9,915	-43.4%
Net Position:							
Net investment in capital assets	92,365	93,871	825	876	93,190	94,747	-1.6%
Restricted	26,081	—	132	—	26,213	—	100.0%
Unrestricted	(6,157)	(8,761)	4,842	4,522	(1,315)	(4,239)	-69.0%
Total net position	\$ 112,289	\$ 85,110	\$ 5,798	\$ 5,399	\$ 118,088	\$ 90,508	30.5%

By far, the largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total government-wide (governmental and business-type activities) net position increased during the current year over the prior fiscal year. Total assets increased by \$4.6 million, a positive change of 2.7%, and liabilities decreased by \$17.6 million, a decrease of 23.6% mainly due to unearned revenues that were recognized as a prior period adjustment. Total net position increased by \$10 million, or an increase of 10.3% over the previous year's restated net position.

Governmental Activities: During the current fiscal year, net position for governmental activities increased \$27.2 million from the prior fiscal year's original reported net position for an ending balance of \$112.3 million. Approximately \$14 million is due to a prior period adjustment that increased net position.

Business-type Activities: The business-type activities are represented by the County's landfill and total assets increased by \$446 thousand during the year. Total liabilities increased by \$52 thousand. Total net position increased \$399 thousand, to \$5.8 million.

Changes in Net Position
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program revenues:							
Fees, fines and charges for services	\$ 11,719	\$ 11,678	\$ 1,113	\$ 960	\$ 12,832	\$ 12,638	1.5%
Operating grants and contributions	48,757	43,858	145	—	48,902	43,858	11.5%
Capital grants and contributions	784	1,017	—	—	784	1,017	-22.9%
General revenues:							
Property taxes	14,904	14,163	—	—	14,904	14,163	5.2%
Other taxes	3,608	2,692	—	—	3,608	2,692	34.0%
Interest and investment earnings	385	222	18	30	403	253	59.6%
Other revenue	1,150	2,242	—	—	1,150	2,242	-48.7%
Transfers in (out)	2	5,567	(2)	(5,567)	—	—	—%
Total revenues	\$ 81,310	\$ 81,440	\$ 1,273	\$ (4,577)	\$ 82,583	\$ 76,863	7.4%
Expenses:							
General government	\$ 4,821	\$ 6,914	\$ —	\$ —	\$ 4,821	\$ 6,914	-30.3%
Public protection	26,361	27,914	—	—	26,361	27,914	-5.6%
Public ways and facilities	7,492	5,867	—	—	7,492	5,867	27.7%
Health and sanitation	10,510	9,577	—	—	10,510	9,577	9.7%
Public assistance	21,564	20,715	—	—	21,564	20,715	4.1%
Education	929	1,063	—	—	929	1,063	-12.6%
Recreation and culture	139	220	—	—	139	220	-36.8%
Interest on long-term debt	—	2	—	—	—	2	-100.0%
Solid waste	—	—	752	(4,428)	752	(4,428)	-117.0%
Total expenses	\$ 71,816	\$ 72,272	\$ 752	\$ (4,428)	\$ 72,568	\$ 67,844	7.0%
Change in net position	9,494	9,168	521	(149)	10,015	9,019	11.0%
Net position, beginning	102,794	75,942	5,277	5,547	108,071	81,489	32.6%
Net position, ending	<u>\$112,288</u>	<u>\$ 85,110</u>	<u>\$ 5,798</u>	<u>\$ 5,398</u>	<u>\$118,086</u>	<u>\$ 90,508</u>	<u>30.5%</u>

Changes in Net Position. Total governmental activities revenue showed a decrease of \$130 thousand for the year. Program revenue, which includes charges for services (service charges, fines and fees) and grants, increased from last year by \$4.7 million, to \$61.3 million. General revenues, which includes transfers in and out, decreased by \$4.8 million to \$20 million. Expenditures for the fiscal year were \$72 million, a decrease of \$0.5 million from last year. The change in net position was positive this year at \$9.5 million, compared to an increase of \$9.2 million in the previous year, with the ending net position totaling \$112.3 million.

Business-type activities (Landfill) had total revenue of \$1.3 million, an increase of \$5.9 million over the previous year due to a \$4.8 million transfer-out that reduced the proprietary fund's revenues in the previous fiscal year, as a result of the transfer of the Landfill's closure/post-closure class III liability to the new Solid Waste operator. At fiscal year-end 2016, the County was neither the owner nor the operator of the Landfill. Total expenditures were \$752 thousand, an increase of \$5.2 million over last year. The change in net position was \$521 thousand compared to the negative \$149 thousand change in net position in the previous fiscal year. The proprietary fund had a restricted net position of \$131,691 for closure/post-closure class I costs and total net position of \$5.8 million at June 30, 2016.

IV. FINANCIAL ANALYSIS OF COUNTY'S FUNDS

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

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of the end of the fiscal year, the County's governmental funds reported total fund balances of \$68.3 million, an increase of \$5.7 million from the previous year's restated fund balance. Approximately 26%, \$18.0 million, constitutes the Unassigned fund balance, which represents the County's resources that are not classified in the other categories and are considered available for future needs. The Restricted funds of \$26.1 million or 38% are funds with constraints placed on their use by those external to the County. The Assigned funds of \$22.8 million or 33% are earmarked to meet the County's current and future needs. The Nonspendable balance is approximately \$1 million or 2% of total fund balance and is made up of inventories, prepaid expenditures, and long-term loans receivable, which cannot be spent because of their form (see the Fund Balance section of Note 1 - Summary of Significant Accounting Policies).

The general government functions are included in the General Fund, Special Revenue Funds and Capital Projects Fund. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the County's financing requirements. The primary focus is to assess and analyze comparable activity between the current and prior fiscal year. The major activities and results in each category are highlighted.

All other non-major governmental funds have been combined into a single Other Governmental Funds column.

General Fund. the General Fund is the chief operating fund of the County. All County activities not included in a separate fund are included in the General Fund. At June 30, 2016, unassigned fund balance totaled \$19 million, while the total fund balance amounted to \$27.3 million. As measures of the general fund's liquidity, it is useful to note that the unassigned fund balance represents 60% of the fund's total expenditures. Expenditures decreased 2% (\$641 thousand) over last year and total revenues decreased 3% (\$1 million) from the prior fiscal year.

Human Services Agency. At June 30, 2016 restricted fund balance totaled \$4.8 million, an increase of 7.6% over the previous year. Expenditures increased by \$2 million, \$1.1 million of which was due to an increase in employee related costs. Revenues increased by \$1 million in large part due to revenues received from other governmental entities.

Road Fund. At June 30, 2016, restricted fund balance totaled \$2.3 million, with a total fund balance decrease of \$667 thousand over the prior year. Revenues decreased by \$2.2 million while expenditures decreased by \$793 thousand over the previous year.

Mental Health Fund. At June 30, 2016 restricted fund balance totaled \$9.8 million, an increase of \$1.9 million over the previous fiscal year's restated fund balance. Revenues increased by \$1.8 million in state aid and expenditures increased \$257 thousand due to an increase in employee related costs over the previous year.

Tobacco Fund. At June 30, 2016 the assigned fund balance totaled \$687 thousand, a decrease of \$95 thousand over the previous fiscal year. The current year activity of the fund can be summarized as funding sources (transfers-out) to capital improvement projects of the County.

Other Governmental Funds. The sum of the restricted, assigned and unassigned fund balances of the remaining governmental funds increased by \$2.9 million. This variance takes into consideration a prior period adjustment of revenue recognition that increased fund balance in other governmental funds by \$3.2 million at June 30, 2015. Included in this sum are all of the County Special Revenue funds and the County's Capital Projects Fund.

Revenues - The following table presents the revenues by category from various sources as well as the amounts and changes from the prior year in the governmental funds.

Revenues Classified by Source
(in thousands)

	FY 2016		FY 2015		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 17,173	22%	\$ 16,856	22%	\$ 318	1.9 %
Licenses and permits	1,758	2.2%	\$ 760	1%	998	131.3 %
Aid from other governments	45,379	57%	\$ 45,484	59.5%	(105)	(0.2)%
Use of money or property	385	0.5%	\$ 222	0.3%	163	73.4 %
Fines, forfeits, and penalties	2,469	3.2%	\$ 2,959	3.9%	(490)	(16.6)%
Charges for services	8,841	11.6%	\$ 7,959	10.4%	882	11.1 %
Other revenue	1,562	3.5%	\$ 2,242	2.9%	(680)	(30.3)%
Total	\$ 77,568	100%	\$ 76,482	100%	\$ 1,086	1.4 %

Tax revenues account for approximately 22% of all revenues received by the County; the same percentage of total revenue earned, in the governmental funds, as the previous year.

License and permit revenues increased by 131%, approximately \$1 million, from the previous year due to an increase in planning and construction permit revenue.

Revenues from the use of money, including investment earnings, ended the year at \$385 thousand compared to the prior year of \$222 thousand, an increase of 73.4%.

Expenditures - The following table presents expenditures by function compared to prior year's amounts in the governmental funds.

**Expenditures by Function
(in thousands)**

	FY 2016		FY 2015		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 4,555	7.8%	\$ 5,968	8.3%	\$ (1,412)	(24)%
Public protection	27,722	38%	27,226	37.8%	496	1.8 %
Public ways and facilities	2,557	4.4%	2,341	3.3%	216	9.2 %
Health and sanitation	10,221	14.1%	9,499	13.2%	722	7.6 %
Public assistance	22,191	30.4%	20,654	28.7%	1,537	7.4 %
Education	905	1.2%	1,045	1.5%	(140)	(13.4)%
Recreation and cultural services	142	0.2%	138	0.2%	4	3.1 %
Capital outlay	3,541	3.9%	4,289	6%	(748)	(17)%
Debt service	—	—%	724	1%	(724)	(100)%
Total	\$ 71,835	100%	\$ 71,883	100%	\$ (48)	(0.1)%

General government expenditures decreased by \$1.4 million from the previous fiscal year.

Public protection expenditures increased by \$496 thousand over the previous fiscal year due in large part to an increase in expenditures in the General fund for this function.

Health and sanitation expenditures increased from last year's totals by \$1 million due to an increase in expenditures in the Mental Health fund.

Public assistance expenditures increased by \$1.5 million over the previous fiscal year due to an increase in expenditures in the Human Services Agency fund.

Education expenditures decreased by \$140 thousand from the previous fiscal year in large part due to the separation of First 5 of San Benito.

Proprietary Funds

The County has one enterprise-type proprietary fund, the John Smith Landfill (Landfill-Solid Waste Fund). Total operating revenue for the Landfill-Solid Waste Fund was \$1.3 million, a 31% increase over the previous fiscal year. Of this, \$1.1 million in revenue came from charges for services, an increase of 27% over the previous year. Expenditures for the year totaled \$752 thousand, a 177% increase over the previous fiscal year due to the closure/postclosure class III liability transfer to the Landfill's new operator in the previous fiscal year. The Landfill's change in net position was an increase of \$521 thousand, which resulted in an ending balance of \$5.8 million.

V. BUDGETARY HIGHLIGHTS

Each year the County adopts an annual budget and monitors it closely during the fiscal year to ensure that the budgeted figures are close to the amounts actually expended and received. Emphasis is placed on the County's major funds: General Fund, Human Services Agency, Road Fund, Mental Health, Other Governmental Funds as well as the Landfill Fund.

The **General Fund** is the largest of the major funds, and also the chief operating fund for the County. The budget included \$38 million in General Fund revenues for the fiscal year. Actual revenue for the year was \$32 million. A decrease of \$1 million from the previous year's actual, mainly due to a decrease in revenue for charges for services. General fund tax revenues were budgeted at \$15 million and total taxes collected were \$16 million due to higher than projected property tax revenue. Revenue from licenses, permits, and franchises was budgeted at \$1.3 million with actual revenue collections of \$1.8 million, a variance due to higher than projected planning and construction permit revenue. Aid from other governments was budgeted at \$8.2 million with the actual revenue received of \$6.9 million which resulted from lower than projected state aid. Use of money was budgeted at \$239 thousand and \$243 thousand was earned. Fines, forfeitures, and penalties were budgeted at \$1.1 million with actual revenues collected were \$2.4 million due to unanticipated property tax penalty revenue. Charges for services were budgeted at \$11 million and actual revenues collected were \$5 million due to lower than projected developer charges. Other revenue was budgeted at \$1 million with actual revenue of \$429 thousand.

Budgeted expenditures for the year were \$37.4 million while actual expenditures totaled \$31.8 million. Significant contributors to the \$5.6 million variance are: \$2.5 million in lower than projected consulting services, \$327 thousand in lower salary and benefits costs due to vacant positions, and \$600 thousand in lower than projected risk management costs, which includes worker's compensation insurance and general liability insurance.

At year-end, fund balance increased by \$1.3 million; \$2.5 million less than the projected net change in fund balance.

The **Human Services Agency** (H.S.A) received \$20.5 million in revenue for the year, \$1.9 million more than projected. Actual expenditures were \$18.2 million; \$1.7 million less than was budgeted. Additionally, \$165 thousand was received through a transfer-in from the General Fund and \$2.2 million was transferred-out to other governmental funds. \$1.2 million was transferred to special revenue fund public authority and \$833 thousand transferred to capital projects fund. The ending fund balance for H.S.A. is \$4.8 million; a decrease of \$325 thousand from the previous year's ending balance of \$4.5 million, which includes a prior period adjustment.

Road Fund revenue was budgeted at \$42.5 million while actual revenue was \$2.3 million. Transfers-in were budgeted at \$2 million and actual transfers-in were \$74 thousand. Expenditures were budgeted at \$45.1 million while actual expenditures were \$3 million. There were fewer projects worked on than anticipated and therefore, less revenue reimbursements were collected from the State or other sources. The ending fund balance for the Road fund is \$2.3 million, reflecting a decrease of \$662 thousand from the previous year's ending balance.

The **Mental Health Fund** budgeted revenues of \$6.9 million for fiscal year 2015-2016. Actual revenue for the year was \$7.5 million. Budgeted expenditures were \$7 million with actual expenditures of \$5.7 million. Transfers-in was budgeted at \$1.1 million but actual transfers-in was \$62 thousand recorded from the General Fund. Transfers-out was budgeted at \$1.1 million while actual transfers-out was a credit of \$0.0 thousand from capital projects fund. The actual net change in fund balance was \$1.9 million, which resulted in an ending fund balance of \$9.8 million for the year.

Other Governmental Funds include capital projects funds and twenty-four special revenue funds that finance specific services for the benefit of County constituents. Among those are the impact fee funds, equipment, miscellaneous income, as well as various protective and health services. Individual fund budget to actual information is included in the Supplementary Information section of the financial statements which begins on page 90.

Landfill-Solid Waste Fund received \$1.3 million in total operating revenues, 44% higher than was projected in the budget. Total operating expenditures were \$752 thousand, 4% lower than was budgeted. Actual transfers out were lower than was budgeted which resulted in a positive change in net position. The Landfill Fund includes capital outlay in their appropriations and recording of expenditures for budgetary control and capitalizes these at year end for financial reporting purposes.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Valuation has been established for the County's infrastructure, property improvements and equipment, and a schedule of depreciation has been prepared for each capital asset class. The County Landfill capital assets are discussed separately in this report.

Assets classed as infrastructure include roads, bridges, bike paths and culverts- storm drains. Roads are depreciated at 35 years for larger, major traffic carrying streets and 50 years for minor, less utilized streets. Bridges are depreciated at 50 years, as are bike paths. Culverts and storm drains are depreciated at 30 years for metal culverts and 50 years for concrete. All infrastructure capital assets are depreciated using the straight line method and the county uses the "Basic Approach" as defined by GASB No. 34 for infrastructure reporting.

Assets classed as property improvements include all improvements to land or existing structures owned by the County. Land is not depreciated by the County. Improvements that are full-scale buildings are depreciated for 30 years. All other improvements are depreciated for 15 years. All improvements are depreciated using the straight line method.

Assets classed as equipment are either individual or grouped assets that have a cost of \$5 thousand or more. These assets are grouped as vehicles, computers, or furniture and equipment on the schedules. All assets in this class are depreciated at 3 years using the straight line method. Software is depreciated at a 5 year minimum using the straight line method.

The original cost of County infrastructure is \$170.5 million with accumulated depreciation of \$107.8 million, including the addition of \$3.3 million of depreciation for the year. The net asset value, or unrecovered cost of infrastructure, is \$62.7 million.

Original cost of property improvements is \$23.9 million with accumulated depreciation of \$873 thousand for the year, bringing total accumulated depreciation to \$13 million. Unrecovered cost (net asset value) at the end of the year is \$10.8 million.

Capital asset equipment added \$1.6 million, with \$75 thousand in equipment retirements, bringing total original cost to \$16.6 million. Accumulated depreciation totaled \$14.5 million, including \$529 thousand in depreciation for the year. The ending net asset value is \$2.1 million.

Significant increases to capital assets in fiscal year 2016 included:

- \$245 thousand was expensed for the construction of Union Road Bridge Replacement, bringing total project costs to \$3.4 million. Total project costs are estimated at \$20 million.
- \$201 thousand was expensed for the construction of Hospital Road Low Water Bridge Replacement, bringing total project costs to \$2 million. Total project costs are estimated at \$13.9 million.
- \$702 thousand towards construction and improvements of County maintained roads, bridges and other road related infrastructure.
- \$1.4 million towards acquisition of equipment.
- \$100 thousand towards ERP system upgrade, bringing total project costs to \$985 thousand. Total project costs are estimated at \$1.4 million.
- \$81 thousand towards construction of Adult Detention Center, bringing total project costs to \$1.2 million. Total project costs are estimated at \$15.9 million.
- \$833 thousand towards the acquisition of an Emergency Homeless Shelter. Total project costs are estimated at \$1 million.
- \$71 thousand toward the construction and or design of county property.

Long-Term Debt

The County's compensated absences, the amount of time employees have earned and retained for vacation and comp time that is payable to them at some time in the future, was a total of \$3 million. This is a decrease of \$80 thousand from the previous year for all employees. As employees sever their relations with County employment either by retirement or termination, all or a portion of their accumulated compensated absences become due and payable to them.

A State audit in FY 2006-07 covering a ten year period uncovered a miscalculation of the growth factor to ERAF (Educational Revenue Augmentation Fund) giving an incorrect carry forward to the AB 8 system resulting in an under-allocation of \$4.6 million, with the County's portion being \$2.9 million. The legislation added Section 96.24 to the Revenue and Taxation code and was subsequently approved and signed by Governor Brown on September 22, 2015 thereby forgiving the debt.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County has projected a 6% increase in tax revenue in the FY16/17 budget. This increase, which is contributed to the increase in development projects within the County, is expected to continue for the upcoming years. Total governmental fund revenue increased by 18% when compared to the previous year's adopted budget. Increases in revenue are also being projected in aid from other governments for road improvement projects in the Road fund.

Total governmental fund appropriations also increased compared to the previous fiscal year's actual expenditures, with road and capital improvement projects making up the highest increase and consisting of 33% of total FY16/17 appropriations.

On August 9, 2016 the County Board of Supervisors adopted the FY16/17 budget, which included a commitment of \$500,000 in fund balance for future disaster recovery needs. The County recently experienced a series of storms that caused significant wide spread damage. The Governor and President of the United States have recognized the County of San Benito as a major disaster area. The County has responded by providing assistance to residents directly affected by the storm, as well as addressing repairs relating to roads and waterways. While the total estimated amount of damage is unknown at this time, the County continues to work closely with the California Governor's Office of Emergency Services and the Federal Emergency Management Agency (FEMA) to recover from this natural disaster.

VIII. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances and assist anyone interested in the County's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the San Benito County Auditor, 481 Fourth Street, 2nd Floor, Hollister, CA 95023.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS



COUNTY OF SAN BENITO

Statement of Net Position
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 of San Benito
Assets				
Cash and investments:				
Held in County treasury	\$ 57,147,605	\$ 4,715,038	\$ 61,862,643	\$ —
Other bank accounts	10,024,043	131,691	10,155,734	1,164,550
Imprest cash	4,693	—	4,693	—
Receivables	7,787,182	387,218	8,174,400	229,868
Loan receivable	1,046,281	—	1,046,281	—
Inventories and other assets	268,299	—	268,299	185,170
Capital Assets:				
Nondepreciable	16,746,400	383,527	17,129,927	—
Depreciable, net	75,618,311	441,374	76,059,685	101,743
Total Assets	<u>168,642,814</u>	<u>6,058,848</u>	<u>174,701,662</u>	<u>1,681,331</u>
Deferred Outflows of Resources:				
PERS contributions	5,355,529	6,051	5,361,580	50,180
Deferred pension adjustments	399,278	6,848	406,126	—
Total Deferred Outflows of Resources	<u>5,754,807</u>	<u>12,899</u>	<u>5,767,706</u>	<u>50,180</u>
Liabilities				
Accounts payable and accrued liabilities	3,492,717	131,547	3,624,264	194,815
Due to other government agencies	218,246	—	218,246	—
Deposits from others	1,409,729	—	1,409,729	—
Unearned revenues	401,523	—	401,523	—
Long- Term Liabilities:				
Portion due or payable within one year:				
Compensated absences	306,778	—	306,778	—
Liability for unpaid claims	145,190	—	145,190	—
Portion due or payable after one year:				
Compensated absences	2,761,005	1,905	2,762,910	—
Other-post employment benefits	1,816,273	24,332	1,840,605	—
Liability for unpaid claims	2,588,191	—	2,588,191	—
Net pension liability	43,371,246	97,629	43,468,875	317,890
Total Liabilities	<u>56,510,898</u>	<u>255,413</u>	<u>56,766,311</u>	<u>512,705</u>
Deferred Inflows of Resources:				
Deferred pension adjustments	5,598,107	18,074	5,616,181	69,463
Net Position				
Net investment in capital assets	92,364,711	824,901	93,189,612	101,743
Restricted	26,080,558	131,691	26,212,249	50,000
Unrestricted	(6,156,652)	4,841,667	(1,314,985)	997,600
Total Net Position	<u>\$ 112,288,617</u>	<u>\$ 5,798,259</u>	<u>\$ 118,086,876</u>	<u>\$ 1,149,343</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Activities
For the Year Ended June 30, 2016

Functions/ Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	First 5 of San Benito
Primary Government:								
Governmental Activities:								
General government	\$ 4,820,901	\$ 3,736,463	\$ 8,741,761	\$ —	\$ 7,657,323	\$ —	\$ 7,657,323	\$ —
Public protection	26,361,016	5,020,426	5,491,368	—	(15,849,222)	—	(15,849,222)	—
Public ways and facilities	7,491,909	1,429,875	1,785,637	—	(4,276,397)	—	(4,276,397)	—
Health and sanitation	10,509,822	842,388	10,628,760	—	961,326	—	961,326	—
Public assistance	21,563,780	30,532	22,036,838	783,949	1,287,539	—	1,287,539	—
Education	929,498	31,299	72,855	—	(825,344)	—	(825,344)	—
Recreation and culture	138,641	628,097	—	—	489,456	—	489,456	—
Total Governmental Activities	<u>71,815,567</u>	<u>11,719,080</u>	<u>48,757,219</u>	<u>783,949</u>	<u>(10,555,319)</u>	<u>—</u>	<u>(10,555,319)</u>	<u>—</u>
Business-type Activities:								
Solid Waste	752,368	1,113,071	144,683	—	—	505,386	505,386	—
Total Primary Government	<u>72,567,935</u>	<u>12,832,151</u>	<u>48,901,902</u>	<u>783,949</u>	<u>(10,555,319)</u>	<u>505,386</u>	<u>(10,049,933)</u>	<u>—</u>
Component Unit:								
First Five of San Benito	<u>818,621</u>	<u>—</u>	<u>975,498</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>156,877</u>
General Revenues:								
Taxes:								
Property taxes					14,904,105	—	14,904,105	—
Sales and use taxes					1,641,346	—	1,641,346	—
Franchise taxes					527,120	—	527,120	—
Other taxes					1,439,178	—	1,439,178	—
Interest and investment earnings					385,480	18,010	403,490	1,222
Miscellaneous					1,149,886	—	1,149,886	23,960
Transfers					2,359	(2,359)	—	—
Total General Revenues and Transfers					<u>20,049,474</u>	<u>15,651</u>	<u>20,065,125</u>	<u>25,182</u>
Change in Net Position					9,494,155	521,037	10,015,192	182,059
Net position - June 30 (As restated)					102,794,462	5,277,222	108,071,684	967,284
Net position - June 30					<u>\$ 112,288,617</u>	<u>\$ 5,798,259</u>	<u>\$ 118,086,876</u>	<u>\$ 1,149,343</u>

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS



COUNTY OF SAN BENITO

Balance Sheet
Governmental Funds
June 30, 2016

	General	Human Services Agency	Road	Mental Health	Tobacco Settlement	Other Governmental Funds	Total
Assets							
Cash and investments:							
Held in County treasury	\$ 19,581,840	\$ 2,777,492	\$ 2,015,254	\$ 9,369,220	\$ —	\$ 23,403,799	\$ 57,147,605
Other bank accounts	4,984,742	—	—	—	4,841,339	197,962	10,024,043
Imprest cash	1,193	—	—	3,450	—	50	4,693
Receivables	1,818,281	2,545,468	913,971	621,000	—	1,888,462	7,787,182
Loan receivable	—	—	—	—	—	1,046,281	1,046,281
Due from other funds	5,017,120	180,689	—	124,397	—	674,994	5,997,200
Inventories and other assets	200,245	5,770	49,516	5,768	—	7,000	268,299
Total Assets	31,603,421	5,509,419	2,978,741	10,123,835	4,841,339	27,218,548	82,275,303
Liabilities							
Accounts payable and accrued liabilities	1,949,597	386,454	217,682	224,128	—	714,856	3,492,717
Due to other funds	—	—	—	—	4,154,713	1,842,487	5,997,200
Deposits from others	1,397,038	—	—	—	—	12,691	1,409,729
Due to other governments	105,983	35,603	—	76,660	—	—	218,246
Unearned revenues	247,980	153,543	—	—	—	—	401,523
Liability for unpaid claims	145,190	—	—	—	—	—	145,190
Total Liabilities	3,845,788	575,600	217,682	300,788	4,154,713	2,570,034	11,664,605
Deferred Inflows of Resources							
Unavailable revenues	420,458	93,041	454,147	—	—	1,360,654	2,328,300
Fund Balances							
Nonspendable	200,245	5,770	49,516	5,768	—	1,053,281	1,314,580
Restricted	2,288,857	4,835,008	2,257,396	9,817,279	—	6,882,018	26,080,558
Assigned	5,861,125	—	—	—	686,626	16,297,095	22,844,846
Unassigned	18,986,948	—	—	—	—	(944,534)	18,042,414
Total Fund Balances	27,337,175	4,840,778	2,306,912	9,823,047	686,626	23,287,860	68,282,398
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 31,603,421	\$ 5,509,419	\$ 2,978,741	\$ 10,123,835	\$ 4,841,339	\$ 27,218,548	\$ 82,275,303

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Reconciliation of the Balance Sheet - Governmental Funds to
the Government-Wide Statement of Net Position
June 30, 2016

Fund Balance - Total governmental funds		\$ 68,282,398
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		92,364,711
Other assets are not available to pay for current period expenditures and therefore, are deferred in the governmental funds.		2,328,300
Deferred outflows and inflows of resources related to pensions are applicable to future periods, and therefore, are not reported in the governmental funds.		156,700
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Other post-employment benefits	(1,816,273)	
Liability for unpaid claims	(2,588,191)	
Compensated absences	(3,067,783)	
Net pension liability	<u>(43,371,246)</u>	(50,843,493)
Net position of governmental activities		<u>\$ 112,288,617</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General	Human Services Agency	Road	Mental Health	Tobacco Settlement	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 15,965,201	\$ —	\$ —	\$ —	\$ —	\$ 1,208,123	\$ 17,173,324
Licenses, permits and franchises	1,757,688	—	—	—	—	—	1,757,688
Aid from other governments	6,871,155	19,638,378	2,304,913	7,397,466	—	9,167,183	45,379,095
Use of money or property	242,783	16,484	9,535	33,106	2,723	80,849	385,480
Fines, forfeits and penalties	2,437,425	—	—	—	—	31,856	2,469,281
Charges for services	4,603,211	8,996	1,009	72,579	—	4,154,916	8,840,711
Other revenue	428,857	878,002	—	—	—	255,084	1,561,943
Total Revenues	32,306,320	20,541,860	2,315,457	7,503,151	2,723	14,898,011	77,567,522
Expenditures:							
Current:							
General government	4,555,064	—	—	—	—	—	4,555,064
Public protection	24,623,181	—	—	—	—	3,098,929	27,722,110
Public ways and facilities	—	—	2,106,111	—	—	450,757	2,556,868
Health and sanitation	—	—	—	5,634,643	—	4,586,396	10,221,039
Public assistance	667,751	18,074,366	—	—	—	3,449,310	22,191,427
Education	904,665	—	—	—	—	—	904,665
Recreation and culture	142,257	—	—	—	—	—	142,257
Capital outlay							
General government	21,066	—	—	—	—	135,148	156,214
Public protection	840,068	—	—	—	—	191,758	1,031,826
Public ways and facilities	—	—	945,327	—	—	341,996	1,287,323
Health and sanitation	—	—	—	23,661	—	4,611	28,272
Public assistance	—	117,847	—	—	—	833,275	951,122
Education	24,120	—	—	—	—	—	24,120
Recreation and culture	—	—	—	—	—	62,563	62,563
Total Expenditures	31,778,172	18,192,213	3,051,438	5,658,304	—	13,154,743	71,834,870
Excess (deficiency) of revenues over expenditures	528,148	2,349,647	(735,981)	1,844,847	2,723	1,743,268	5,732,652
Other Financing Sources (Uses):							
Transfers in	1,405,877	165,195	73,783	62,461	3,385	3,212,969	4,923,670
Transfers out	(609,875)	(2,189,661)	—	—	(100,845)	(2,020,930)	(4,921,311)
Total other financing sources (uses)	796,002	(2,024,466)	73,783	62,461	(97,460)	1,192,039	2,359
Net change in fund balances	1,324,150	325,181	(662,198)	1,907,308	(94,737)	2,935,307	5,735,011
Fund balances - beginning of year, as restated	26,013,025	4,515,597	2,969,110	7,915,739	781,363	20,352,553	62,547,387
Fund balances - end of year	<u>\$ 27,337,175</u>	<u>\$ 4,840,778</u>	<u>\$ 2,306,912</u>	<u>\$ 9,823,047</u>	<u>\$ 686,626</u>	<u>\$ 23,287,860</u>	<u>\$ 68,282,398</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities
June 30, 2016

Net change in fund balances- total governmental funds		5,735,011
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 these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure	3,339,277	
Less current year depreciation	<u>(4,740,169)</u>	(1,400,892)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		856,735
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 compensated absences	80,518	
Forgiveness of State of CA ERAF	2,880,800	
Change in liability for unpaid claims	(231,356)	
OPEB annual required contribution	(1,816,271)	
Current year pension cost difference	<u>3,389,610</u>	4,303,301
Change in net position of governmental activities		<u>\$ 9,494,155</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Net Position
Propriety Fund
June 30, 2016

	Business-type Activities
	<u>Solid Waste Fund</u>
Assets	
Current Assets:	
Cash and investments	\$ 4,715,038
Accounts receivable	387,218
Total Current Assets	<u>5,102,256</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and investments	131,691
Capital Assets:	
Nondepreciable:	
Land	313,079
Construction in process	70,448
Depreciable:	
Structures and improvements	806,263
Equipment	74,145
Accumulated depreciation	(439,034)
Total Noncurrent Assets	<u>956,592</u>
Total Assets	<u>6,058,848</u>
Deferred Outflows of Resources	
PERS contributions	6,051
Deferred pension adjustments	6,848
Total Deferred Outflows of Resources	<u>12,899</u>
Liabilities	
Current Liabilities -	
Accounts payable and accrued liabilities	131,547
Long-Term Liabilities -	
Compensated absences	1,905
Other post-employment benefits	24,332
Net pension liability	97,629
Total Liabilities	<u>255,413</u>
Deferred Inflows of Resources	
Deferred pension adjustments	18,074
Net Position	
Net investment in capital assets	824,901
Restricted	131,691
Unrestricted	4,841,667
Total Net Position of business-type activities	<u><u>5,798,259</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2016

	Business-type Activities
	<u>Solid Waste</u>
	<u>Fund</u>
Operating Revenues:	
Aid from other governmental units	\$ 144,683
Charges for services	1,113,071
Total Operating Revenues	<u>1,257,754</u>
Operating Expenses:	
Salaries, wages and employee benefits	104,961
Services and supplies	512,467
Landfill closure and postclosure charges	37,626
Indirect Costs	43,716
Depreciation and amortization	53,598
Total Operating Expense	<u>752,368</u>
Net Operating Income	<u>505,386</u>
Non-Operating Revenues (Expenses)	
Transfers In (Out)	(2,359)
Interest income	18,010
Total Non-Operating Revenues (Expenses)	<u>15,651</u>
Change in Net Position	521,037
Net position - beginning of year (As restated)	<u>5,277,222</u>
Net position - end of year	<u>\$ 5,798,259</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities
	Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 1,132,555
Payments to suppliers for goods and services	(532,800)
Payments to employees for salaries and benefits	(100,124)
Net cash provided by operating activities	<u>499,631</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	(2,359)
Net cash provided (used) by noncapital financing activities	<u>(2,359)</u>
Cash Flows from Capital and Related Financing Activities	
Cash purchase of capital assets	(2,306)
Net cash provided by capital and related financing activities	<u>(2,306)</u>
Cash Flows from Investing Activities	
Interest received	18,010
Net cash provided by investing activities	<u>18,010</u>
Net Increase (Decrease) in Cash and Cash Equivalents	372,353
Cash and cash equivalents, July 1	4,474,376
Cash and cash equivalents, June 30	<u>\$ 4,846,729</u>
Reconciliation of cash and investments to the Statement of Net Position	
Current assets - cash and investments	\$ 4,715,038
Restricted assets - cash and investments	131,691
	<u>\$ 4,846,729</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ 505,386
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	53,598
(Increase) decrease in:	
Receivables	(125,199)
Deferred outflows of resources	(976)
Increase (decrease) in:	
Payables	45,605
Compensated absences	1,905
Other post-employment benefits	24,332
Net pension liability	(1,445)
Deferred inflows of resources - pension adjustments	(3,575)
Total adjustments	<u>(5,755)</u>
Net cash provided by operating activities	<u>\$ 499,631</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Investment Trust	Agency Funds
	<u> </u>	<u> </u>
Assets		
Current Assets:		
Cash and investments	\$ 100,920,827	\$ 6,829,482
Taxes receivable	—	4,537,827
Total Assets	<u>100,920,827</u>	<u>11,367,309</u>
 Liabilities		
Liabilities:		
Agency obligations		11,367,309
Total Liabilities	<u>—</u>	<u>11,367,309</u>
 Net Position		
Held in trust for pool participants	<u>100,920,827</u>	
Total Net Position	<u>\$ 100,920,827</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2016

	Investment Trust
Additions:	
Contributions to pooled investments	\$ 528,359,167
Investment Income (net of administrative expense)	376,121
Total additions	<u>528,735,288</u>
Deductions:	
Distributions from pooled investments	<u>515,344,652</u>
Total deductions	<u>515,344,652</u>
Change in net position	13,390,636
Net position - beginning of year, as restated	<u>87,530,191</u>
Net position - end of year	<u><u>\$ 100,920,827</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO
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FOR THE YEAR ENDED JUNE 30, 2016

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COUNTY OF SAN BENITO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The County of San Benito (County), was created pursuant to general law as a subdivision of the State of California. It is governed by a five-member elected Board of Supervisors. As required by generally accepted accounting principles, the accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable and has a potential financial benefit/burden relationship under the criteria set by Government Auditing Standards Board (GASB) Statements No. 61.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County, so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30 year-end.

Blended Component Units

- *County Service Areas (CSA)*

CSAs are special districts established by the Board of Supervisors for the purpose of providing specific services to County residents. Although the CSAs are legally separate from the County, they are reported as if they were part of the primary government because they are governed by the County Board of Supervisors and the Board has operational responsibility for the CSAs. The books and records of these CSAs are maintained by the County, and their activities are reported within non-major governmental funds.

CSA #4 Santa Rosa Acres	CSA #31 Stonegate
CSA #5 Hillcrest/ El Toro	CSA #33 Fallon/Fairview
CSA #8 Bonnie View	CSA #34 Ausaymas Estates
CSA #9 Ridgemark	CSA #35 Union Heights
CSA #11 Barnes Lane	CSA #36 Advanced Life Support
CSA #16 Holiday Estates	CSA #42 Lemmon Acres
CSA #19 Springwood	CSA #45 Rancho Larios
CSA #21 Long Acres	CSA #46 Quail Hollow
CSA #22 Cielo Vista	CSA #47 Oak Creek
CSA #23 Rancho San Joaquin	CSA #48 Dry Creek Estates
CSA #24 Santa Ana Acres	CSA #49 Hollister Ranch Estates
CSA #25 Vineyard Estates	CSA #50 Dunnville
CSA #28 Heatherwood	CSA #53 Riverview Estates
CSA #29 Brown/ Magladry	CSA #54 Pacheco Creek Estates
CSA #30 McCloskey Acres	CSA #55 Creekside

Discretely Presented Component Units

- *First 5 San Benito*

The FIRST 5 San Benito (FIRST 5) was created under the provisions of the California Children and Families Act of 1998 (the Act). The Act became law in 1998 when California voters approved Proposition 10, authorizing the State to levy a tax on tobacco products to pay for programs to promote the healthy development of young children. FIRST 5's Board consists of nine members, three of whom are officers of the County, while the remaining seven are appointed by the Board. FIRST 5 does not provide a financial benefit nor impose a financial burden on the County. However, due to the nature and significance of FIRST 5's relationship with the County, FIRST 5 is a discretely presented component unit of the County. A separately issued financial report can be obtained from First 5 San Benito, 351 Tres Pinos Road, Suite 100A, Hollister, CA 95023.

B. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. All internal balances in the Statement of Net Position have been eliminated with the exception of those representing balances between governmental activities and the business-type activities, which are presented as internal balances. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between program expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for

enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet these definitions are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

- The *General fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public safety and protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Human Services Agency fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that relate to health programs, children's programs and veterans services, such as public health, veteran's services, public guardian, and drug and alcohol programs.
- The *Road fund* is used to account for the planning, design, construction, maintenance and administration of County roads. It is also used to account for traffic safety and other transportation planning activities. Funding comes primarily from local sales and state highway user taxes, along with state and federal highway improvement grants.
- The *Mental Health fund* is used to account for mandated community health services under the California Mental Health Act including a mandated responsibility to "guarantee and protect public safety." Revenue sources are primarily charges for services, sales tax revenue and state grants.
- The *Tobacco Settlement fund* is used for capital projects in the county. The proceeds are from Series 2002B bonds of the Pooled Tobacco Securitization Program. The county will request the actual cash that is due from this program in the next fiscal year.

The County reports the following major enterprise fund:

- The *Solid Waste Fund* is used to account for operations of the solid waste handling activity.

The County reports the following additional fund types:

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass-through funds for tax collections for independent agencies. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds (including Clearing and Revolving Funds, Deposit Funds, Other Agency Funds, State and City Revenue Funds, and Tax Collection Funds) account for assets held by the County in an agency capacity for individuals or other government units.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Agency funds have no measurement focus and report only assets and liabilities. However, agency funds use the accrual basis of accounting when recognizing receivables and payables.

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

Governmental funds are reported using the current financial resources measurement focus and the modified basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

C. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer, except for certain amounts which are generally held by outside custodians and classified as "other bank accounts" on the accompanying financial statements. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

The County is required by the California Integrated Waste Management Board to set aside the amounts identified as Restricted Cash in the Landfill Enterprise Fund to assure that these amounts will be available in a timely manner for the closure and/or postclosure class I maintenance cost of the Solid Waste Fund, as specified in the California Public Resources Code. These amounts are reported as restricted, non-current assets in the statement of Net Position of the Proprietary Fund.

The County has cash and investments for the restricted amounts that are held in the Tobacco Settlement Fund and in the General Fund with Trindel Insurance. Trindel Insurance is the County's claims-servicing joint powers agency for self insurance. These amounts are managed for the specific purposes specified in the agreements with these agents. At June 30, 2016, the County had reported \$4,841,339 in the Tobacco Securitization Fund and \$4,984,742 in the General Fund with Trindel Insurance.

State statutes authorize the County to invest its surplus cash in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Gains and losses are recognized upon sale based upon the specific identification method. Investments in nonparticipating, interest earning investment

contracts (guaranteed investment contracts) are reported at cost, commercial paper with maturities of less than 90 days are reported at amortized cost and all other investments are reported at fair value. The fair values of investments are obtained by using quotations from independent published sources.

The County participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in derivatives and similar transactions. LAIF's investments are subject to credit risk with the full faith of the State of California collateralizing these investments. In addition, these derivatives and similar transactions are subject to market risk as to change in interest rates. LAIF's investments are managed by the State Treasurer. The Fund is not SEC registered, but is required to invest according to California Government Code. A Local Investment Advisory Board has oversight responsibility for LAIF.

Interest income earned on pooled cash and investments is allocated quarterly to the appropriate funds for the quarter in which the interest was earned.

D. Receivables

The County does not calculate an allowance for uncollectible accounts. The County considers all receivables to be collectible until they are proven to be uncollectible. At that time, the County asks for approval from the Board of Supervisors to write-off any uncollectible receivables.

E. Inventories and Prepaid Items

Inventories are valued at cost using first-in/first-out (FIFO) method and consist of expendable supplies. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Reported inventories and prepaid items of governmental funds are equally offset by corresponding nonspendable portion of fund balance to indicate that they are not expendable available financial resources.

F. Capital Assets

Capital assets include public domain general capital assets consisting of roads, bridges, water/sewer, lighting system, drainage systems, flood control and other infrastructure. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds. Depreciation begins when the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

Roads and bridges	35 to 50 years
Infrastructure (except for the maintained pavement subsystem)	15 to 50 years
Structures and improvements	10 to 50 years
Equipment	3 to 25 years
Software	2 to 7 years

G. Deferred Outflows/Inflows of Resources

The County recognizes deferred outflows of resources and deferred inflows of resources in accordance with GASB Statement No. 60 and GASB Statement No 65.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the Government-Wide Financial Statements, unearned revenue is a liability reported when revenue has been received prior to revenue recognition.

H. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

I. Compensated Absences

The County allows employees to accumulate unused sick leave and unused vacation leave up to a specified maximum cap based on an employee's bargaining unit or management group. Sick leave is paid only upon retirement at half the employee's hourly rate. Upon separation, all accrued vacation is paid to the employee. County employees can also accrue comp time which is payable upon separation.

The County accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. All vacation and comp time is accrued when incurred in the government-wide and proprietary fund statements.

J. Other Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligation are reported as liabilities in the applicable

governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bond issuance costs are reported as expenses in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses from advance refunding are deferred and amortized as interest expense over the life of the new refunding debt.

In the fund financial statements, governmental fund types recognize bond premium and discount, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Property Taxes

The State of California Constitution, Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by the voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. These general property tax rates do not apply to taxes levied to pay the interest and redemption charges on any indebtedness incurred prior to June 6, 1978, or subsequently approved by the voters. Supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction. The State Legislature has determined the method of distribution among the counties, cities, school districts, and other districts of receipts from the 1% property tax levy.

Property taxes are levied by San Benito County on January 1 and are payable in two installments on April 10 and December 10. San Benito County bills and collects its own property taxes and also collects such taxes for cities, schools and special districts. Property tax revenues are recognized when levied to the extent they result in current receivables.

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

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

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. The county adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller, an elected official, is authorized to pay 100% of the property taxes billed (secured, supplemental and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied. Previously, such taxes were allocated and paid as the taxes were collected.

L. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

M. Estimates

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

N. Budgetary Basis of Accounting

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

An operating budget is adopted each fiscal year for the majority of the Governmental Funds. Expenditures are controlled at the department level for the County. Department level expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between departments or funds are authorized by the County Administrative Office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution, the County Administrative Officer and/or appointed department head are authorized to approve transfers and revisions of appropriations under \$25,000 within a single budget unit as deemed necessary and appropriate unless it is to a capital asset object. Transfers to capital asset objects must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budget approved by the Board of Supervisors for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules.

Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

O. Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and are displayed in three components:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category represents net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net assets are available, restricted resources are used first, then unrestricted resources as they are needed.

P. Fund Balances

Fund balance classifications are based primarily on the extent to which the County is bound to honor constraints on the use of the resources reported in each governmental fund.

The County reports the following classifications:

Nonspendable fund balance - This category represents amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted fund balance - This category represents amounts with constraints placed on their use by those external to the County, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - This category represents amounts that can only be used for specific purposes determined by formal action (ordinance) of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action (ordinance) that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance - This category represents amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designated for the purpose.

Unassigned fund balance - This category represents the residual classification that includes amounts not contained in the other classifications.

The County's Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted resources that are committed, assigned and unassigned, in this order as they are needed.

Fund Balance Policy:

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its county funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

Q. Pensions

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

R. Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation.

S. Subsequent Events

Subsequent events have been evaluated through March 28, 2017, which is the date the financial statements were available to be issued.

T. Effects of New Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 72 - *"Fair Value Measurement and Application"*

The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2015. (FY 2015/16)

Statement No. 73 - *"Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68"*

The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provision that address employers and governmental nonemployer contributing entitles for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. (FY 2015-16)

Statement No. 76 - *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*

The provisions of this statements are effective for reporting periods beginning after June 15, 2015. (FY 2105-16)

NOTE 2. CASH AND INVESTMENTS

The County maintains a cash and investment pool for the purpose of increasing interest income through pooled investment activities. This pool, which is available for use by all funds, is displayed on the basic financial statements as "Cash and Investments." Interest earned on the investment pool is distributed to the participating funds quarterly using a formula based on the average daily cash balance of each fund.

Cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are, in order of priority, safety of principal, liquidity, availability and yield. The County investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. At year-end, the balance of deposits at the County's banking institutions was \$630,461. Any difference between the carrying amount of the County's deposits and the bank balance is a result of transactions in transit. Of the bank balance, \$250,000 was covered by federal depository insurance and \$380,461 was covered by collateral pledged by the financial institution. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateral.

The County follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a quarterly basis to the various funds based on their average daily cash balance and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

At June 30, 2016, the carrying amount of the Pool's deposits was \$(7,608,337) and the corresponding bank balance was \$630,461. The difference of \$(8,238,798) was principally due to outstanding warrants, deposits in transit and EFT payroll tax payments.

Investments

The County's investment policy requires that securities be registered in the name of the County. All safekeeping receipts for investment instruments are held in accounts in the County's name and all securities are registered in the County's name.

Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved upon the sale of an investment, prior to its maturity, with the reinvestment of the proceeds, then this provision is also allowed.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County Treasurer mitigates these risks by holding a diversified portfolio of high quality investments. The adopted investment policy contains specific limitations on investments by credit quality, maturity length and the maximum allocation by asset class.

As of June 30, 2016, the County of San Benito's investments were rated by Standard & Poor's and Moody's Investor Services as follows:

Investment Type	Fair Market	S & P	Moody's	% of Portfolio
Commercial Paper	\$ 9,993,800	A1	P1	5.64%
Government Agency Bond and Notes	10,002,700	AAA	NR	5.65%
US Treasuries	110,010,457	A+	A1	62.12%
CAMP	5,000,000	AAAm	NR	2.82%
LAIF	42,100,000	NR	NR	23.77%
Total	<u>\$ 177,106,957</u>			<u>100.00%</u>

Generally, credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assessment of a rating by a nationally recognized statistical rating organization. It is the County's policy to purchase investments meeting ratings requirements established by the California Government Code.

Instruments in any one issuer that represent 5% or more the County's investments as of June 30, 2016, are as follows (excluding investment pools and debt explicitly guaranteed by the U.S. government):

Issuer	Issuer Type	Fair Value Holdings	Percentage Holdings
Treasurer's Pooled Investments:			
Federal Home Loan Bank	Government Sponsored	\$ 10,002,700	5.63%
Anglesea Funding CP	Commercial Paper	9,993,800	5.62%
Rabo Bank Ned NY FR	Medium Term Note	10,001,400	5.63%
CIBC FR YCO	Certificate of Deposit	10,007,000	5.65%

The fair value of the Treasurer's investments is determined on a quarterly basis. Values are obtained from the securities custodian for registered securities.

The County is authorized to enter into reverse repurchase agreements, but entered into no such agreements during the year.

Custodial Credit Risk

Custodial credit risk for investments is the risk the the Pool will not be able to recover the value of investment securities that are in the possession of an outside party. All securities owned by the Pool are deposited in trust for safekeeping with a custodial bank different from th County's primary bank. Securities are not held in broker accounts.

Interest Rate Risk

In accordance with its investment policy, the County manages its interest rate risk by limiting the weighted average maturity of its investment portfolio to three years or less. No security, at the time of purchase, shall have a maturity exceeding five (5) years. At June 30, 2016 the County had the following investment maturities:

2016	73,978,062
2017	49,027,075
2018	7,001,820
Total	<u>\$ 130,006,957</u>

The amount in the Local Agency Investment Fund (LAIF), managed by the State Treasurer for the State of California, is \$22.7 billion at June 30, 2016. The state pools these funds with those of other local agencies in the state and invests the cash as prescribed by the California Government Code. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment gains/losses are shared proportionately by all funds in the pool. Funds are accessible and transferable to the County's bank accounts on the same day for amounts under \$10,000,000 and require a twenty-four (24) hour notice for larger amounts. The Local Agency Investment Fund has a very diversified and regulated investment portfolio; the fund is not insured by either the State of California or the Federal Government.

California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is permitted investment for all local agencies under California Government Code Section 53601(p).

The LAIF and CAMP operate and report to participants on an amortized cost basis. For both the LAIF and CAMP, the income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. Deposits in the LAIF and CAMP are not insured or otherwise guaranteed by the State of California, and participants share proportionally in any realized gains or losses on investments. The fair value of the LAIF and CAMP investment pools are approximately equal to the value of the pool shares.

Investment income consisted of the following for the year ended June 30, 2016:

Investment Earnings	\$	1,037,300
Net decrease in fair value of investments		(21,165)
Less Administrative Expenses		412,156
Net Investment Income		<u>603,979</u>

The following is a summary of investments held by the County as of June 30, 2016:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments					
CAMP	\$ 5,000,000	\$ 5,000,000	0.51%	On Demand	On Demand
LAIF	42,100,000	42,100,000	0.55%	On Demand	On Demand
Certificate of Deposits - Negotiable	55,025,155	55,014,123	.00% - 1.34%	08/16-03/18	217 days
Commercial Paper - Discount	9,990,003	9,993,800	0.59%	08/16	40 days
Corporate Bonds	27,210,772	27,177,823	.56% - .95%	07/16-05/18	212 days
Non US Corporate Bonds	27,879,344	27,818,511	.00% - .79%	07/16-05/18	212 days
Government agency bond	10,000,000	10,002,700	0.55%	10/16	104 days
Total pooled investments	<u>177,205,274</u>	<u>177,106,957</u>			
Investments held with fiscal agents:		11,320,284			
Cash in banks:					
Non-interest bearing deposits		(7,494,005)			
Imprest cash:		4,693			
Total cash and investments		<u>180,937,929</u>			
Total Unrestricted cash and investments		169,617,645			
Total restricted cash and investments		11,320,284			
Total cash and investments		<u>180,937,929</u>			
Total cash and investments summary:					
Total governmental activities		67,176,341			
Total business-type activities		4,846,729			
Total fiduciary funds		107,750,309			
Total component unit		<u>1,164,550</u>			
Total cash and investments		<u>180,937,929</u>			

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's investment pool as of June 30, 2016:

Total cash and investments	180,937,929
Less: Investments held with fiscal agents	(11,320,284)
Less: imprest cash	(4,693)
Less: investment interest receivable	(21,165)
Add: outstanding checks	5,727,120
	<u>175,318,907</u>

The following represents a condensed Statement of Net Position and Changes in Net Position for the Treasurer's investment pool as of June 30, 2016:

Statement of Net Position

Net position held in trust	<u>\$ 175,318,907</u>
Equity of internal pool	\$ 67,568,598
Equity of external pool participants	107,750,309
Total equity	<u>\$ 175,318,907</u>

Statement of Changes in Net Position

Net position held for pool participants, July 1, 2015	\$ 153,481,582
Net change in investments by pool	21,837,325
Net position held for pool participants, June 30, 2016	<u>\$ 175,318,907</u>

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2016:

Investments by fair value level	Fair Value Measurements Using		
	Quoted Pried in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities			
Certificate of Deposits - Negotiable	\$ 55,014,123	\$ 55,014,123	—
Commercial Paper - Discount	9,993,800	9,993,800	—
Corporate Bonds	27,177,823	27,177,823	—
Non US Corporate Bonds	27,818,511	27,818,511	—
Government agency bond	10,002,700	10,002,700	—
Total investments measured at fair value	130,006,957	\$ 130,006,957	—
Investments measured at amortized cost			
CAMP	\$ 5,000,000		
LAIF	42,100,000		
Total pooled and directed investments	<u>177,106,957</u>		

Restricted Cash and Investments

Cash and Investments at June 30, 2016 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities	
General Fund	
Trindel Insurance Fund	4,984,742
Tobacco Settlement Capital Projects	4,841,339
Total General Fund	<u>9,826,081</u>
Migrant Camp	197,962
Total governmental activities	<u>10,024,043</u>
 Business-type Activities	
Integrated Waste Management Fund	
Financial assurance for landfill corrective action	131,691
Total business-type activities	<u>131,691</u>
 Component Unit	
First 5 of San Benito	1,164,550
Total component unit	<u>1,164,550</u>
 Total restricted cash and investments	<u><u>11,320,284</u></u>

NOTE 3. INTERFUND TRANSACTIONS

Interfund Receivables/Payable

The composition of interfund balances as of June 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Due to/from other funds:			
General Fund	Tobacco Securitization	4,154,713	Interfund borrowing
General Fund	Non-major governmental fund	318,140	Interfund borrowing
General Fund	Non-major governmental fund	57,530	Interfund borrowing
General Fund	Non-major governmental fund	83,812	Interfund borrowing
General Fund	Non-major governmental fund	749	Interfund borrowing
General Fund	Non-major governmental fund	402,176	Interfund borrowing
Human Services Agency	Non-major governmental fund	180,689	Interfund borrowing
Mental Health	Non-major governmental fund	124,397	Interfund borrowing
		5,322,206	
Advances to/from funds:			
Non-major governmental fund	Non-major governmental fund	674,994	Capital loan*
	Total interfund balances	\$ 5,997,200	

*The \$674,994 advanced to the CSA Stonegate #31 fund represents the remaining balance of an initial \$1,407,113 loan that provided financing resources for Stonegate Water Capital Project.

The balances above are due to be paid in the subsequent fiscal year and resulted from when funds overdrew their share of pooled cash; or the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Transfers

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Human Services Agency	165,195	Funding for operations
General Fund	Mental Health Fund	45,772	Funding for operations
General Fund	Non-major governmental fund	275,000	Funding for operations
General Fund	Non-major governmental fund	4,125	Funding for operations
HHSA	General Fund	200,000	Funding for operations
HHSA	Non-major governmental fund	1,153,000	Funding for operations
HHSA	Tobacco Settlement Fund	3,385	Funding for operations
Non-major governmental fund	General Fund	128,426	Funding for operations
Non-major governmental fund	General Fund	1,028,850	Funding for operations
Non-major governmental fund	General Fund	48,601	Funding for operations
Non-major governmental fund	Road Fund	61,806	Funding for operations
Non-major governmental fund	Road Fund	9,618	Funding for operations
Landfill Fund	Road Fund	2,359	Funding for operations
Non-major governmental fund	Non-major governmental fund	216,000	Funding for operations
Non-major governmental fund	Mental Health Fund	16,689	Funding for operations
General Fund	Non-major governmental fund	119,783	Funding for capital outlay
HHSA	Non-major governmental fund	833,276	Funding for capital outlay
Tobacco Settlement Fund	Non-major governmental fund	100,845	Funding for capital outlay
Non-major governmental fund	Non-major governmental fund	24,959	Funding for capital outlay
Non-major governmental fund	Non-major governmental fund	341,996	Funding for capital outlay
Non-major governmental fund	Non-major governmental fund	81,318	Funding for capital outlay
Non-major governmental fund	Non-major governmental fund	62,563	Funding for capital outlay
Non-major governmental fund	Non-major governmental fund	104	Funding for capital outlay
		<u>\$ 4,923,670</u>	

Transfers out, reported in	Statement of Revenues, Expenditures and	
	Changes in Fund Balances:	
	Governmental Funds	\$ 4,921,311
	Statement of Revenues, Expenses and	
	Changes in Net Position:	
	Proprietary Funds	\$ 2,359
		<u>\$ 4,923,670</u>

NOTE 4. RECEIVABLES

GASB Statement No. 38, "Certain Financial Statement Note Disclosures," requires disclosure of significant receivable balances not expected to be collected within one year of the date of the financial statements.

Housing Loans Receivable

A total of \$1,046,281 was recorded as housing loans receivable at June 30, 2016. These represent low or no interest mortgage notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, as well as homebuyer assistance for low income families, as part of the County's affordable housing program. Loan terms range from 15 to 55 years with interest rates from 0% to 6%. The County's primary sources of funding for these loans come from grants from the federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) programs. The HOME and CDBG grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

Other receivables as of June 30, 2016, for the County's individual major, nonmajor and enterprise fund that are expected to be collected within in the next fiscal year is as follows:

Governmental Funds:

	General	Human Services Agency	Road	Mental Health	Other Governmental	Total Governmental Funds
Receivables:						
Accounts - net	\$ 1,818,281	\$ 2,545,468	\$ 913,971	\$ 621,000	\$ 1,888,462	\$ 7,787,182
Totals	<u>\$ 1,818,281</u>	<u>\$ 2,545,468</u>	<u>\$ 913,971</u>	<u>\$ 621,000</u>	<u>\$ 1,888,462</u>	<u>\$ 7,787,182</u>

Proprietary Fund:

	Solid Waste Fund
Accounts - net	\$ 387,218
Totals	<u>\$ 387,218</u>

NOTE 5.CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2016
Governmental Activities					
Capital assets, not being depreciated:					
Land	1,221,028	—	—	—	1,221,028
Construction in progress	15,326,181	1,789,786	(8,560)	(1,582,035)	15,525,372
Total capital assets, not being depreciated	<u>16,547,209</u>	<u>1,789,786</u>	<u>(8,560)</u>	<u>(1,582,035)</u>	<u>16,746,400</u>
Capital assets, being depreciated:					
Infrastructure	170,495,871	—	—	—	170,495,871
Improvements	22,298,691	—	—	1,582,035	23,880,726
Equipment	15,119,718	1,558,051	(74,721)	—	16,603,048
Total capital assets, being depreciated	<u>207,914,280</u>	<u>1,558,051</u>	<u>(74,721)</u>	<u>1,582,035</u>	<u>210,979,645</u>
Less accumulated depreciation for:					
Infrastructure	(104,473,785)	(3,337,601)	—	—	(107,811,386)
Improvements	(12,200,071)	(873,073)	—	—	(13,073,144)
Equipment	(14,022,030)	(529,495)	74,721	—	(14,476,804)
Total accumulated depreciation	<u>(130,695,886)</u>	<u>(4,740,169)</u>	<u>74,721</u>	<u>—</u>	<u>(135,361,334)</u>
Total capital assets, being depreciated, net	<u>77,218,394</u>	<u>(3,182,118)</u>	<u>—</u>	<u>1,582,035</u>	<u>75,618,311</u>
Governmental - type activities capital assets, net	<u><u>93,765,603</u></u>	<u><u>(1,392,332)</u></u>	<u><u>(8,560)</u></u>	<u><u>—</u></u>	<u><u>92,364,711</u></u>

	Balance June 30, 2015	Additions	Retirement	Transfers & Adjustments	Balance June 30, 2016
Business - Type Activities					
Capital assets, not being depreciated:					
Land	313,079	—	—	—	313,079
Construction in progress	68,142	2,306	—	—	70,448
	<u>381,221</u>	<u>2,306</u>	<u>—</u>	<u>—</u>	<u>383,527</u>
Capital assets, being depreciated:					
Improvements	806,262	—	—	—	806,262
Equipment	74,145	—	—	—	74,145
Total capital assets, being depreciated	<u>880,407</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>880,407</u>
Less accumulated depreciation	<u>(385,435)</u>	<u>(53,598)</u>	<u>—</u>	<u>—</u>	<u>(439,033)</u>
Total capital assets, being depreciated, net	<u>494,972</u>	<u>(53,598)</u>	<u>—</u>	<u>—</u>	<u>441,374</u>
Business-type activities capital assets, net	<u>876,193</u>	<u>(51,292)</u>	<u>—</u>	<u>—</u>	<u>824,901</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 71,250
Public safety	814,545
Public ways and facilities	3,672,778
Health and sanitation	8,969
Public assistance	83,193
Education	19,764
Recreation and cultural services	<u>69,670</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 4,740,169</u>

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

Solid Waste - County Landfill	<u>\$ 53,598</u>
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NOTE 6. LONG-TERM DEBT

A. Summary of Long-Term Debt

Long-term liabilities at June 30, 2016 consisted of the following:

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2016:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities:					
Compensated absences	\$ 3,148,301	\$ 1,095,748	\$ (871,358)	\$ 3,372,691	\$ 306,778
Liability for unpaid claims	2,508,991	704,818	(480,428)	2,733,381	145,226
Net Pension Liability	41,292,932	2,078,314	—	43,371,246	—
Total Governmental Activities Long-Term Liabilities	<u>\$ 46,950,224</u>	<u>\$ 3,878,880</u>	<u>\$ (1,351,786)</u>	<u>\$ 49,477,318</u>	<u>\$ 452,004</u>
Business-Type Activities:					
Compensated absences	\$ —	\$ 1,905	\$ —	\$ 1,905	\$ —
Net Pension Liability	87,802	9,827	—	97,629	—
Total Business-Type Activities Long-Term Liabilities	<u>\$ 87,802</u>	<u>\$ 11,732</u>	<u>\$ —</u>	<u>\$ 99,534</u>	<u>\$ —</u>

NOTE 7. CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. The County Counsel has indicated that the potential uninsured claims against the County resulting from such litigation would not materially affect the financial statements of the County.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. The County participates in other federal and state programs where County costs are recovered on a reimbursable basis. Grant expenditures and reimbursements are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the relevant regulations, the County may be required to reimburse the appropriate governmental agency. As of June 30, 2016, significant amounts of grant expenditures and records relating to reimbursements have not been audited, but the County believes that disallowed expenditures or reimbursements, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 8. LEASES

A. Operating Leases

The County rents various office space and equipment for normal operations. All of these leases contain options to renew the lease at the end of the lease terms. Remaining noncancellable, subject to non-appropriation, minimum future payments on these leases are as follows:

<u>June 30</u>	<u>Total</u>
2017	\$ 983,367
2018	969,887
2019	899,591
2020	763,749
2021	712,933
2022 - 2025	<u>1,458,972</u>
Total minimum rental payments	<u>\$ 5,788,499</u>

Total rent expenditures for the year ended June 30, 2016 was \$951,716, of which \$120,412 was recorded in the General Fund.

NOTE 9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

No fund reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2016.

NOTE 10. DEFICIT FUND BALANCES

The special revenue fund *Victim Witness* had a net operating gain of \$41,262 due to lower than anticipated expenditures, which resulted in an ending deficit fund balance of \$449; a significantly lower deficit than the previous fiscal year end.

The special revenue fund *Family Support* has a net operating loss of \$477,541 due to the timing of collecting revenues; this caused a deficit fund balance of \$240,017 at fiscal year end.

The special revenue fund *Cal Fire* had a net operating gain of \$18,373 due to a contribution from the general fund, which reduced their deficit fund balance to \$83,826.

The special revenue fund created for *Capital Projects* has an ending deficit fund balance of \$620,242 carried over from prior years.

NOTE 11. CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the County of San Benito place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities at the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure

care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. In the prior fiscal year, the County released funds in the amount of \$5,032,458 held in the Enterprise Fund to the General Fund Reserve.

The California Environmental Protection Agency, Department of Resources Recycling and Recovery (CalRecycle) holds a beneficiary authority in the form of an “Enterprise Fund and Pledge of Revenue Agreement” in the closure and postclosure funds.

On April 1, 2014, Waste Connections Inc, the contract operator of the landfill, notified the County that they were exercising their right to enter into a new Landfill Operating Agreement. One of the conditions of the new Agreement was the transfer of the closure and postclosure liability from the County to Waste Connections Inc. Waste Connections Inc. posted surety bonds with CalRecycle to cover the liability. On July 9, 2014, CalRecycle accepted the surety bonds as a substitute for the “Enterprise Fund and Pledge of Revenue Agreement” thereby freeing the dedicated County Enterprise funds held for this purpose.

NOTE 12. PENSION PLANS

General Information about the Miscellaneous Pension Plan

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the County’s Miscellaneous (excluding police and fire) Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees Retirement Systems (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee’ Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.5%
Required employer contribution rates	18.638%	18.638%

Employees Covered - At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	\$ 421
Inactive employees entitled to but not yet receiving benefits	477
Active employees	268
Total	<u>\$ 1,166</u>

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate is 6.75 percent of annual pay, and the employer's contribution rate is 18.638 percent of annual payroll. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

B. Net Pension Liability

The County's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2014, actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

- (1) Varies depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses, including inflation
- (3) Derived using CalPERS' Membership Data for all Funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011. Further details of the Experience study can be found on the CalPERS website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from CalPERS' website under the GASAB 68 section.

According to paragraph 30 of Statement 68, the long-term discount rate should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make

their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	Current Target Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.5%	5.13%
Infrastructure and Forestland	2%	4.5%	5.09%
Liquidity	2%	(0.55)%	(1.05)%
Total	100%		

^(a) An expected inflation of 2.5% used for this period

^(b) An expected inflation of 3.0% used for this period

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan follows:

Miscellaneous Plan:			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 133,990,455	\$ 104,355,965	\$ 29,634,490
Changes in the year:			
Service Cost	2,669,215		2,669,215
Interest on the Total Pension Liability	9,982,906		9,982,906
Changes of Benefit Terms			—
Changes of Assumptions	(2,443,007)		(2,443,007)
Differences between Expected and Actual Experience	(2,370,448)		(2,370,448)
Plan to Plan Resource Movement		12,552	(12,552)
Contributions - Employer		2,880,746	(2,880,746)
Contributions - Employees		1,282,053	(1,282,053)
Net Investment Income		2,363,317	(2,363,317)
Benefit Payments, including Refunds of Employee Contributions	(6,375,115)	(6,375,115)	—
Administrative Expense		(129,721)	129,721
Court share of net pension liability	(116,765)	(237,639)	120,874
Net Changes	<u>1,346,786</u>	<u>(203,807)</u>	<u>1,550,593</u>
Balance at June 30, 2014	<u>\$ 135,337,241</u>	<u>\$ 104,152,158</u>	<u>\$ 31,185,083</u>

The above schedule excludes the Courts' share of the Miscellaneous Plan determined at June 30, 2016 to be 8.25 percent of the plans total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County's Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$ 48,203,710
Current Discount Rate	7.65%
Net Pension Liability	\$ 31,185,083
1% Increase	8.65%
Net Pension Liability	\$ 17,117,248

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,361,566	\$ —
Differences between actual and expected experience	—	(1,369,372)
Changes in assumptions	—	(1,411,289)
Net differences between projected and actual earnings on plan investments		(885,307)
Total	\$ 3,361,566	\$ (3,665,968)

\$3,361,566 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2016	\$ (2,268,081)
2017	\$ (1,777,376)
2018	\$ (632,397)
2019	\$ 1,011,886

General Information about the Safety Pension Plan

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's separate Safety (police and fire) Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employee' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Hire Date	Safety	
		Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula		3% @ 55	2.7% @ 57
Benefit vesting schedule		5 years service	5 years service
Benefit payments		Monthly for life	Monthly for life
Retirement age		50	50-57
Monthly benefits, as a % of eligible compensation		3%	2.0% to 2.7%
Required employee contribution rates		9%	12.25%
Required employer contribution rates		17.295%	11.923%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Safety Plan were as follows:

	Safety
Contributions - employer	\$ 1,626,541
Contributions - employee (paid by employer)	—

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the County reported net pension liabilities for its proportionate share of the net pension liability of the Safety Plans as follows:

	Proportionate Share of Net Pension Liability
Safety	12,283,792
Total Net Pension Liability	12,283,792

The County's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015, using standard update procedures. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Safety	Safety PEPRA
Proportion - June 30, 2014	0.20437%	0.00003%
Proportion - June 30, 2015	0.281869%	0.000544%
Change - Increase (Decrease)	0.077499%	0.000514%

For the year ended June 30, 2016, the County recognized pension expense of \$2,000,014 for the Safety Plans. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,000,014	\$ —
Differences in proportion	—	(248,661)
Changes in assumptions	—	(986,849)
Differences between expected and actual experience		(214,562)
Differences between the employer's contributions and the employer's proportionate share of contributions	406,126	—
Net differences between projected and actual earnings on plan investments	—	(500,141)
Total	<u>\$ 2,406,140</u>	<u>\$ (1,950,213)</u>

\$2,000,014 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (497,873)
2017	\$ (497,873)
2018	\$ (423,305)
2019	\$ (125,036)

Actuarial Assumptions - The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry - Age Normal Cost Method
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

There were no changes in methods or assumptions used to determine the legally required contributions, what are actuarially determined, from the June 30, 2011 to the June 30, 2012 funding valuation report. Further details of the Experience study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.65% for the Plan which is different than prior year to correct for an adjustment to exclude administrative expense. According to paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by

calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	Current Target Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.5%	5.13%
Infrastructure and Forestland	2%	4.5%	5.09%
Liquidity	2%	(0.55)%	(1.05)%

^(a) An expected inflation of 2.5% used for this period

^(b) An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the County’s proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	<u>Safety</u>
1% Decrease	6.65%
Net Pension Liability	\$ 19,393,428
Current Discount Rate	7.65%
Net Pension Liability	\$ 12,283,792
1% Increase	8.65%
Net Pension Liability	\$ 6,454,022

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The County of San Benito Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to eligible retirees. The

County has been under contract with CalPERS for medical plan coverage since 1993 for their employees, as provided by the Public Employee’s Medical and Hospital and Car Act (PEMHCA).

The County provides postemployment health care benefits, in accordance with the health care regulations of the Public Employees Retirement System, to all employees, their spouses, and eligible dependents, who retire through CalPERS from the County on or after attaining age 50 with at least five years of service. Currently, 240 retirees meet those eligibility requirements.

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the County. The County prefunds the plan through the California Employers’ Retiree Benefit Trust (CERBT) by contributing at least 100% of the annual required contribution.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The County’s ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The fiscal year 2015-16 ARC is \$1,840,605.

CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to pre-fund retiree healthcare benefits. CERBT issues a publicly available financial report including GASB 43 - *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* disclosure information in aggregate with other CERBT participating employers. That report may be obtained by contacting CalPERS, Executive Office, 400 P Street, Sacramento, CA 95814.

Annual OPEB Cost and Net OPEB Obligation

For fiscal year 2015-16, the County’s annual OPEB cost (expense) of \$1,840,605 is detailed as follows:

Annual Required Contribution:

Normal Cost including interest	\$ 778,550
Amortization of Initial UAAL	<u>1,062,055</u>
Total ARC (and Annual OPEB Cost)	<u>\$ 1,840,605</u>

Net OPEB Obligation at beginning of year	\$ —
Plus Projected Annual OPEB Cost	—
a. Interest on Net OPEB Obligation at beginning of year	—
b. ARC for current fiscal year	1,840,605
c. ARC adjustment for current fiscal year	—
d. Projected Annual OPEB Cost (a.+b.+c)	<u>\$ 1,840,605</u>
Less Expected Total Employer Contribution	—
Expected Net OPEB Obligation @ 06/30/2016	<u><u>\$ 1,840,605</u></u>

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of July 1, 2013, the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	29,754,125
Actuarial value of plan assets	14,101,417
Unfunded actuarial accrued liability (UAAL)	15,652,708
Funded ratio (actuarial value of plan assets/AAL)	47%
Projected covered payroll (active Plan members)	33,782,000
UAAL as a percent of covered payroll	46%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the entry age normal level percent of pay actuarial cost method was used. The actuarial assumptions included a 7.61% investment rate of return (net of administrative expenses), which is the expected long-term investment return on CERBT investments, and an annual healthcare minimum cost trend of 7.5%. The UAAL is being amortized over a 30 year period using the level-percentage of pay method on an open basis. The remaining amortization period at June 30, 2016 was 29 years.

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County is a member of a joint powers agency (JPA), Trindel Insurance Fund, which self-insures the first \$100,000 of general liability per occurrence and the first \$300,000 of Workers' Compensation per occurrence. The liability rests with the County. Trindel Insurance Fund is classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to

liability coverage.

The County also belongs to another larger JPA called the California State Association of Counties Excess Insurance Authority (CSACEIA). CSACEIA along with other commercial carriers increases the coverage for general liability to \$15 million. Also, CSACEIA, with other commercial carriers, covers replacement cost on property to \$600 million with a \$25,000 deductible for real property and a \$20,000 deductible for vehicles. Trindel covers all but \$1,000 of these deductibles, per occurrence.

The actuarial expected claims liabilities at year end, projected with a 50% confidence level at June 30, 2016 are \$2,733,381.

NOTE 15. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$13,975,397 was recorded in the governmental funds and a prior period adjustment which totaled \$17,684,815 was recorded for governmental activities. Recognition of unearned revenue increased net position/fund balance by an amount of \$11,988,054; an adjustment of \$1,687,342 reallocated post employment benefit expense from the General fund to other Special Revenue funds; and a reversal of salary and benefit related expense increased beginning net position/fund balance by \$300,000. Recognized change in depreciation calculation for project completed in prior year of \$105,214. Reverse overstated governmental activities expenditures related to PERS retirement in the amount of \$3,814,633.

The restatement of beginning net position/fund balance is summarized as follows:

	Statement of	Governmental Funds					
	Activities	Governmental Activities	General	Human Services Agency	Road	Mental Health	Other Governmental Funds
Net position/fund balance at June 30, 2015, as originally reported	\$	85,109,647	\$ 21,851,061	\$ 4,495,076	\$ 2,974,301	\$ 1,383,399	\$ 17,086,791
Change in prior period depreciation		(105,214)					
Reduce salary and benefit related expense		300,000	300,000				
PERS Retirement adjustment		3,814,633					
OPEB adjustment		1,687,342	1,850,285	(89,342)	(5,191)	(69,842)	
Public authority fund							(2,158)
Public health fund							(7,685)
Emergency medical services fund							11,720
Family support fund							12,432
Substance abuse fund							(10,701)
CSWD fund							(3,758)
Victim witness fund							603
Migrant labor camp fund							79
Mosquito abatement fund							5,472
County service areas fund							(4,572)
Recognition of unearned revenue		11,988,054	2,011,679	109,863		6,602,182	
Public Health fund							43,855
Realignment fund							3,220,475
Restated net position/fund balance at June 30, 2015	\$	<u>102,794,462</u>	<u>\$ 26,013,025</u>	<u>\$ 4,515,597</u>	<u>\$ 2,969,110</u>	<u>\$ 7,915,739</u>	<u>\$ 20,352,553</u>

A prior period adjustment of \$121,334 was made which decreased beginning net position of the proprietary funds. The adjustment was made to recognize a double posting to restricted assets, a PERS retirement adjustment, and an OPEB adjustment in the County's financial system.

The restatement of beginning net position is summarized as follows:

	<u>Proprietary Funds</u>
Net Position/fund balance at June 30, 2015, as originally reported	\$ 5,398,556
Reverse double posting to restricted assets	(125,000)
PERS Retirement adjustment	11,272
OPEB adjustment	(7,606)
	<u>Restated net position/fund balance at June 30, 2015</u>
	<u>\$ 5,277,222</u>

A prior period adjustment of \$4,755 was made which increased beginning net position of the fiduciary funds.

The restatement of beginning net position is summarized as follows:

	<u>Fiduciary Funds</u>
Net Position/fund balance at June 30, 2015, as originally reported	\$ 87,534,946
Maddy Fund Adjustment	(4,755)
	<u>Restated net position/fund balance at June 30, 2015</u>
	<u>\$ 87,530,191</u>

NOTE 16. AUTHORITATIVE PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement Numbers 74, 75, 77-82 listed below will be implemented in future financial statements:

Statement No. 74 " <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i> "	The provisions of this statement are effective for fiscal years beginning after June 15, 2016. (FY 2016/17)
Statement No. 75 " <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> "	The provisions of this statement are effective for fiscal years beginning after June 15, 2017. (FY 2017/18)
Statement No. 77 "Tax Abatement Disclosures"	The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. (FY 2016/17)
Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. (FY 2016/17)
Statement No. 79 "Certain External Investment Pools and Pool Participants"	The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. (FY2016/17)
Statement No. 80 "Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14"	The requirements of this Statement are effective for reporting periods beginning after June, 15, 2016. (FY 2016/17)
Statement No. 81 "Irrevocable Split-Interest Agreements"	The requirements of this Statement are effective for periods beginning after December 15, 2016. (FY 2017/18)
Statement No. 82 "Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73"	The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. (FY 2016/17)

NOTE 17. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). Presented below is a detailed schedule of fund balances, for major and nonmajor governmental funds, at June 30, 2016.

	General	Human Services Agency	Road	Mental Health	Tobacco Settlement	Other Governmental	Total
Nonspendable:							
Inventory	—	—	49,516	—	—	—	49,516
Prepays	200,245	5,770	—	5,768	—	7,000	218,783
Loan receivable	—	—	—	—	—	1,046,281	1,046,281
<i>Total nonspendable fund balance</i>	200,245	5,770	49,516	5,768	—	1,053,281	1,314,580
Restricted:							
General government							
Assessor - SCAPAP	157,609	—	—	—	—	—	157,609
Public protection							
Recorder programs	986,161	—	—	—	—	—	986,161
Sheriff programs	996,738	—	—	—	—	—	996,738
Probation programs	100,290	—	—	—	—	—	100,290
Juvenile probation programs	264	—	—	—	—	—	264
District attorney programs	47,795	—	—	—	—	—	47,795
Public safety realignment	—	—	—	—	—	4,196,476	4,196,476
Public ways and facilities							
Purpose of fund	—	—	2,257,396	—	—	—	2,257,396
Road projects	—	—	—	—	—	2,685,542	2,685,542
Health and sanitation							
Purpose of fund	—	—	—	9,817,279	—	—	9,817,279
Public assistance							
Public assistance programs	—	4,835,008	—	—	—	—	4,835,008
<i>Total restricted fund balance</i>	2,288,857	4,835,008	2,257,396	9,817,279	—	6,882,018	26,080,558
Assigned:							
General government							
Tobacco settlement	—	—	—	—	686,626	—	686,626
Insurance and general liability	5,736,058	—	—	—	—	—	5,736,058
Public protection							
Fish and game programs	—	—	—	—	—	3,878	3,878
Family support services	—	—	—	—	—	—	—
Public safety impact fees	—	—	—	—	—	1,135,936	1,135,936
Public protection programs	107,068	—	—	—	—	—	107,068
Public ways and facilities							
Public ways and facilities impact fees	—	—	—	—	—	5,343,699	5,343,699
Health and sanitation							
Emergency medical services	—	—	—	—	—	72,099	72,099
Substance abuse programs	—	—	—	—	—	285,549	285,549
Public health programs	—	—	—	—	—	2,740,329	2,740,329
Mosquito abatement programs	—	—	—	—	—	3,936	3,936
Public assistance							
Migrant labor camp	—	—	—	—	—	248,860	248,860
Community services workforce	—	—	—	—	—	29,476	29,476
Public authority	—	—	—	—	—	379,619	379,619
Community development programs	—	—	—	—	—	297,051	297,051
Inclusionary housing impact fees	—	—	—	—	—	11,995	11,995
Recreation and culture							
Parks and recreation impact fees	—	—	—	—	—	3,967,319	3,967,319
Park improvements	17,999	—	—	—	—	—	17,999
County service areas							
<i>Total assigned fund balance</i>	5,861,125	—	—	—	686,626	16,297,095	22,844,846
Unassigned	18,986,948	—	—	—	—	(944,534)	18,042,414
Total Fund Balances	<u>27,337,175</u>	<u>4,840,778</u>	<u>2,306,912</u>	<u>9,823,047</u>	<u>686,626</u>	<u>23,287,860</u>	<u>68,282,398</u>

At June 30, 2016 the County did not have any committed fund balances.

REQUIRED SUPPLEMENTARY INFORMATION



BUDGETARY PRINCIPLES

In accordance with Chapter 1, Division 3, Title 3, of the Government Code of the State of California, known as the "Budget Act," the County adopts a budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year from all Governmental Funds, the Capital Project Fund and the County's Proprietary Fund, except the Tobacco Securitization fund. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Administrator's office and must be approved by the Board of Supervisors.

Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution, the County Administrator is authorized to approve transfers and revision of appropriations under \$25,000 within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and are amended during the fiscal year by resolutions approved by the Board of Supervisors.

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

Budgets are adopted on a basis consistent with GAAP except for the following classifications:

- Proceeds from the sale of an asset and the issuance of new debt are reported as revenues for budgetary purposes, however, for GAAP purposes are reported as other financing sources. For the fiscal year ending June 30, 2016, there were no such activities.

The budgets for governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary accounting in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances at year end are rebudgeted in the new year. For the fiscal year ending June 30, 2016, there were no recorded encumbrances outstanding at year end for any of the Governmental Funds.

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
FUND BALANCE - BEGINNING, AS RESTATED	16,393,327	16,393,327	26,013,025	9,619,698
REVENUES				
Taxes	15,033,100	15,033,100	15,965,201	932,101
Licenses, permits and franchises	1,089,860	1,289,860	1,757,688	467,828
Aid from other governments	7,264,356	8,210,073	6,871,155	(1,338,918)
Use of money or property	239,000	239,000	242,783	3,783
Fines, forfeits and penalties	1,119,900	1,119,900	2,437,425	1,317,525
Charges for services	12,051,969	10,984,500	4,603,211	(6,381,289)
Other revenue	744,620	1,023,286	428,857	(594,429)
Total Revenues	37,542,805	37,899,719	32,306,320	(5,593,399)
EXPENDITURES				
CURRENT:				
General Government				
Non-Departmental				
Services & Supplies	857,495	602,689	538,938	63,751
Other Charges	325,940	650,940	310,492	340,448
Indirect Cost	(2,305,638)	(2,305,638)	(42,170)	(2,263,468)
Total	(1,122,203)	(1,052,009)	807,260	(1,859,269)
Board of Supervisors				
Salaries & Benefits	392,125	404,805	399,433	5,372
Services & Supplies	52,843	42,618	32,107	10,511
Other Charges	300	300	—	300
Capital Assets	5,000	—	—	—
Indirect Cost	86,953	86,953	86,205	748
Total	537,221	534,676	517,745	16,931
Clerk of the Board of Supervisors				
Salaries & Benefits	173,161	172,963	153,856	19,107
Services & Supplies	10,765	12,209	8,033	4,176
Capital Assets	1,750	—	3,500	(3,500)
Indirect Cost	(8,352)	(8,087)	(8,605)	518
Total	177,324	177,085	156,784	20,301

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Administrative Officer				
Salaries & Benefits	734,539	677,513	674,750	2,763
Services & Supplies	30,653	36,874	30,604	6,270
Capital Assets	49,355	44,855	17,566	27,289
Indirect Cost	(318,898)	(318,898)	(564,160)	245,262
Total	495,649	440,344	158,760	281,584
Information Technology				
Salaries & Benefits	464,614	385,921	336,867	49,054
Services & Supplies	166,050	169,541	145,208	24,333
Capital Assets	5,000	—	—	—
Indirect Cost	(138,788)	(138,788)	(373,065)	234,277
Total	496,876	416,674	109,010	307,664
Geographical Information Systems				
Salaries & Benefits	71,569	76,655	75,576	1,079
Services & Supplies	58,260	55,760	55,128	632
Capital Assets	1,000	—	—	—
Indirect Cost	13,088	13,088	12,943	145
Total	143,917	145,503	143,647	1,856
County Counsel				
Salaries & Benefits	614,390	578,528	532,491	46,037
Services & Supplies	46,220	47,054	47,090	(36)
Indirect Cost	(369,777)	(369,777)	(642,993)	273,216
Total	290,833	255,805	(63,412)	319,217
County Auditor/Controller				
Salaries & Benefits	1,115,809	1,084,327	946,470	137,857
Services & Supplies	310,490	314,512	309,522	4,990
Capital Assets	9,750	—	—	—
Indirect Cost	(491,359)	(491,359)	(834,999)	343,640
Total	944,690	907,480	420,993	486,487
County Treasurer				
Salaries & Benefits	283,588	294,762	291,832	2,930
Services & Supplies	37,750	38,750	38,556	194
Capital Assets	2,365	—	—	—
Indirect Cost	40,028	40,028	39,633	395
Total	363,731	373,540	370,021	3,519

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
County Assessor				
Salaries & Benefits	1,471,038	1,575,350	1,514,718	60,632
Services & Supplies	327,818	185,625	184,979	646
Indirect Cost	112,851	112,851	111,421	1,430
Total	1,911,707	1,873,826	1,811,118	62,708
Tax Collector				
Salaries & Benefits	268,263	219,404	181,758	37,646
Services & Supplies	35,755	36,464	34,079	2,385
Capital Assets	3,250	—	—	—
Indirect Cost	69,133	69,133	68,652	481
Total	376,401	325,001	284,489	40,512
Internal Services				
Salaries & Benefits	408,472	279,996	234,220	45,776
Services & Supplies	87,625	229,897	229,815	82
Capital Assets	3,750	—	—	—
Indirect Cost	(509,156)	(509,156)	(841,705)	332,549
Total	(9,309)	737	(377,670)	378,407
Elections				
Salaries & Benefits	267,290	273,591	270,627	2,964
Services & Supplies	318,160	318,160	224,081	94,079
Capital Assets	2,250	—	—	—
Indirect Cost	51,788	51,788	51,380	408
Total	639,488	643,539	546,088	97,451
Maintenance - Buildings & Grounds				
Salaries & Benefits	212,904	217,976	209,622	8,354
Services & Supplies	533,548	537,852	412,680	125,172
Capital Assets	1,800	1,800	—	1,800
Indirect Cost	(43,704)	(43,704)	(554,832)	511,128
Total	704,548	713,924	67,470	646,454
Risk Management				
Services & Supplies	538,511	538,511	—	538,511
Other Charges	2,131,502	2,131,502	426,897	1,704,605
Indirect Cost	(442,511)	(442,511)	(803,453)	360,942
Total	2,227,502	2,227,502	(376,556)	2,604,058

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
LAFCO				
Indirect Cost	—	—	383	(383)
Total	—	—	383	(383)
Total General Government	8,178,375	7,983,627	4,576,130	3,407,497
Public Protection				
Grand Jury				
Services & Supplies	20,500	20,500	11,496	9,004
Indirect Cost	15,021	15,021	15,011	10
Total	35,521	35,521	26,507	9,014
District Attorney				
Salaries & Benefits	1,273,458	1,282,989	1,272,323	10,666
Services & Supplies	114,410	133,810	86,266	47,544
Indirect Cost	110,474	110,474	109,202	1,272
Total	1,498,342	1,527,273	1,467,791	59,482
Public Defender				
Services & Supplies	1,051,766	1,051,766	813,171	238,595
Indirect Cost	20,400	20,400	20,402	(2)
Total	1,072,166	1,072,166	833,573	238,593
Sheriff - Operations Division				
Salaries & Benefits	4,539,004	4,533,752	4,437,227	96,525
Services & Supplies	478,389	514,867	499,198	15,669
Capital Assets	96,960	783,567	505,020	278,547
Indirect Cost	333,947	333,947	330,394	3,553
Total	5,448,300	6,166,133	5,771,839	394,294
911 Communications Center				
Salaries & Benefits	53,384	45,652	31,294	14,358
Services & Supplies	561,750	563,383	534,212	29,171
Total	615,134	609,035	565,506	43,529
UNET - Anti-Drug Task Force				
Salaries & Benefits	142,441	178,161	178,112	49
Services & Supplies	84,049	101,509	92,336	9,173
Indirect Cost	(1,490)	(1,490)	(1,497)	7
Total	225,000	278,180	268,951	9,229

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Sheriff's Grant				
Salaries & Benefits	340,045	366,245	366,086	159
Services & Supplies	7,720	7,720	7,703	17
Capital Assets	41,680	40,000	30,172	9,828
Total	389,445	413,965	403,961	10,004
Corrections Division - Jail				
Salaries & Benefits	3,357,129	3,400,029	3,303,265	96,764
Services & Supplies	1,502,514	1,517,600	1,524,601	(7,001)
Capital Assets	130,320	122,000	107,035	14,965
Indirect Cost	368,518	368,518	364,868	3,650
Total	5,358,481	5,408,147	5,299,769	108,378
Probation Department				
Salaries & Benefits	2,398,419	2,235,137	1,942,624	292,513
Services & Supplies	353,150	524,909	524,829	80
Other Charges	—	—	300	(300)
Capital Assets	10,500	125,305	125,237	68
Indirect Cost	221,577	221,577	219,011	2,566
Total	2,983,646	3,106,928	2,812,001	294,927
Juvenile Detention Facility				
Salaries & Benefits	1,294,102	1,219,346	1,099,728	119,618
Services & Supplies	356,600	359,556	350,627	8,929
Other Charges	10,000	10,000	(481)	10,481
Capital Assets	1,500	—	—	—
Indirect Cost	132,880	132,880	131,188	1,692
Total	1,795,082	1,721,782	1,581,062	140,720
Gang Prevention				
Salaries & Benefits	189,291	182,772	153,082	29,690
Services & Supplies	20,250	21,040	14,511	6,529
Capital Assets	1,750	—	—	—
Indirect Cost	15,532	15,532	15,290	242
Total	226,823	219,344	182,883	36,461
Agricultural Commissioner				
Salaries & Benefits	788,584	770,259	683,869	86,390
Services & Supplies	66,600	73,954	53,650	20,304
Capital Assets	45,050	51,500	30,204	21,296
Indirect Cost	145,947	145,947	144,995	952
Total	1,046,181	1,041,660	912,718	128,942

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Public Works - Administration & Engineering				
Salaries & Benefits	735,897	524,344	852,753	(328,409)
Services & Supplies	109,400	190,370	299,629	(109,259)
Capital Assets	35,000	25,000	—	25,000
Indirect Cost	(2,429)	(2,429)	29,122	(31,551)
Total	877,868	737,285	1,181,504	(444,219)
County Clerk				
Salaries & Benefits	87,955	120,665	119,584	1,081
Services & Supplies	12,500	6,300	6,241	59
Indirect Cost	30,439	30,439	30,350	89
Total	130,894	157,404	156,175	1,229
County Recorder				
Salaries & Benefits	328,496	315,609	299,858	15,751
Services & Supplies	363,655	363,655	42,367	321,288
Capital Assets	10,800	7,900	7,846	54
Indirect Cost	40,093	40,093	39,664	429
Total	743,044	727,257	389,735	337,522
Coroner				
Services & Supplies	81,640	81,640	51,335	30,305
Other Charges	5,000	5,000	—	5,000
Indirect Cost	1,812	1,812	1,812	—
Total	88,452	88,452	53,147	35,305
Public Administrator				
Services & Supplies	7,905	7,905	1,993	5,912
Indirect Cost	(2,429)	(2,429)	(2,429)	—
Total	5,476	5,476	(436)	5,912
Office of Emergency Services				
Salaries & Benefits	211,967	221,946	207,893	14,053
Services & Supplies	145,059	183,708	118,028	65,680
Other Charges	—	—	9,406	(9,406)
Capital Assets	1,500	68,677	34,554	34,123
Indirect Cost	13,821	13,821	13,673	148
Total	372,347	488,152	383,554	104,598

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Planning and Building Department				
Salaries & Benefits	1,034,736	866,969	857,317	9,652
Services & Supplies	333,550	780,528	778,181	2,347
Capital Assets	85,000	81,100	—	81,100
Indirect Cost	123,239	124,758	124,758	—
Total	1,576,525	1,853,355	1,760,256	93,099
Animal Control & Veterinarian Services				
Services & Supplies	236,000	322,000	321,767	233
Indirect Cost	6,125	6,125	6,121	4
Total	242,125	328,125	327,888	237
Housing & Economic Development				
Salaries & Benefits	—	—	—	—
Services & Supplies	35,000	35,000	27,340	7,660
Indirect Cost	5,136	5,136	4,997	139
Total	40,136	40,136	32,337	7,799
Abandoned Vehicle Abatement				
Salaries & Benefits	—	1,217	1,217	—
Services & Supplies	—	895	821	74
Indirect Cost	—	4,305	4,305	—
Total	—	6,417	6,343	74
General Plan Update				
Services & Supplies	50,000	50,000	42,115	7,885
Total	50,000	50,000	42,115	7,885
Land Development Projects				
Services & Supplies	750,000	750,000	408,334	341,666
Indirect Cost	6,705	6,705	—	6,705
Total	756,705	756,705	408,334	348,371

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
COG/Transit				
Salaries & Benefits	787,365	701,365	598,319	103,046
Services & Supplies	—	—	250	(250)
Indirect Cost	57,112	57,112	(2,833)	59,945
Total	844,477	758,477	595,736	162,741
Total Public Protection	26,422,170	27,597,375	25,463,249	2,134,126
Public Assistance				
County Medical Services Program				
Other Charges	38,130	630	462	168
Indirect Cost	(511)	(511)	(511)	—
Total	37,619	119	(49)	168
Aid to Indigents				
Services & Supplies	—	—	47	(47)
Other Charges	380,000	460,000	454,708	5,292
Total	380,000	460,000	454,755	5,245
Contributions to Community Organizations				
Other Charges	107,500	107,500	107,500	—
Indirect Cost	(994)	(994)	(994)	—
Total	106,506	106,506	106,506	—
Veterans Services				
Salaries & Benefits	—	12,000	11,556	444
Services & Supplies	76,877	76,877	66,491	10,386
Indirect Cost	28,512	28,512	28,492	20
Total	105,389	117,389	106,539	10,850
Total Public Assistance	629,514	684,014	667,751	16,263

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Education				
County Library				
Salaries & Benefits	619,694	634,973	626,646	8,327
Services & Supplies	172,000	178,078	127,907	50,171
Capital Assets	—	—	24,120	(24,120)
Indirect Cost	118,977	118,977	118,226	751
Total	910,671	932,028	896,899	35,129
Agricultural Extension				
Services & Supplies	31,950	31,950	31,963	(13)
Indirect Cost	(77)	(77)	(77)	—
Total	31,873	31,873	31,886	(13)
Total Education	942,544	963,901	928,785	35,116
Parks and Recreation				
Veterans Memorial Park				
Salaries & Benefits	35,000	47,290	51,174	(3,884)
Services & Supplies	28,210	28,210	24,465	3,745
Other Charges	—	—	2,755	(2,755)
Capital Assets	60,000	10,950	—	10,950
Indirect Cost	7,998	7,998	7,898	100
Total	131,208	94,448	86,292	8,156
Historical & San Justo Reservoir Parks				
Salaries & Benefits	—	40,064	43,861	(3,797)
Services & Supplies	17,535	17,535	7,397	10,138
Other Charges	—	—	(44)	44
Capital Assets	5,000	1,800	—	1,800
Indirect Cost	4,840	4,840	4,751	89
Total	27,375	64,239	55,965	8,274
Total Parks and Recreation	158,583	158,687	142,257	16,430
Total Expenditures	36,331,186	37,387,604	31,778,172	5,609,432
Excess of Revenue Over (Under) Expenditures	1,211,619	512,115	528,148	16,033
Other Financing Sources (Uses):				
Transfers in	3,698,304	3,818,051	1,405,877	(2,412,174)
Transfers out	(490,092)	(490,092)	(609,875)	119,783
Total other financing sources (uses)	3,208,212	3,327,959	796,002	(2,292,391)
Net Change in Fund Balance	4,419,831	3,840,074	1,324,150	(2,515,924)
Ending Fund Balance, 06/30/2016	20,813,158	20,233,401	27,337,175	7,103,774

(Concluded)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Human Services Agency Fund Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	17,885,938	18,166,561	19,638,378	1,471,817
Use of money or property	—	—	16,484	16,484
Charges for services	—	—	8,996	8,996
Other revenue	476,000	476,000	878,002	402,002
Total Revenues	18,361,938	18,642,561	20,541,860	1,899,299
Expenditures:				
Current:				
Salaries & Benefits	9,179,263	9,218,933	8,167,916	1,051,017
Services & Supplies	1,879,415	1,939,415	1,814,627	124,788
Other Charges	7,542,500	7,688,935	7,204,574	484,361
Capital Assets	118,000	152,518	117,847	34,671
Indirect Costs	897,916	897,916	887,249	10,667
Total Expenditures	19,617,094	19,897,717	18,192,213	1,705,504
Excess (deficiency) of revenues over expenditures	(1,255,156)	(1,255,156)	2,349,647	3,604,803
Other Financing Sources (Uses):				
Transfers in	2,288,000	2,288,000	165,195	(2,122,805)
Transfers out	(3,628,156)	(3,628,156)	(2,189,661)	1,438,495
Total other financing sources (uses)	(1,340,156)	(1,340,156)	(2,024,466)	(684,310)
Net change in fund balance	(2,595,312)	(2,595,312)	325,181	2,920,493
Fund balance - beginning of year, as restated	2,595,312	2,595,312	4,515,597	1,920,285
Fund balance - end of year	—	—	4,840,778	4,840,778

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Road Fund Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	4,031,402	4,031,402	2,304,913	(1,726,489)
Use of money or property	15,000	15,000	9,535	(5,465)
Charges for services	—	—	1,009	1,009
Other revenue	38,410,992	38,410,992	—	(38,410,992)
Total Revenues	<u>42,457,394</u>	<u>42,457,394</u>	<u>2,315,457</u>	<u>(40,141,937)</u>
Expenditures:				
Current:				
Salaries & Benefits	1,466,672	1,466,672	1,361,049	105,623
Services & Supplies	43,240,948	43,240,948	443,443	42,797,505
Other Charges	—	—	301,619	(301,619)
Capital Assets	190,000	190,000	945,327	(755,327)
Indirect Costs	220,775	220,775	—	220,775
Total Expenditures	<u>45,118,395</u>	<u>45,118,395</u>	<u>3,051,438</u>	<u>42,066,957</u>
Excess (deficiency) of revenues over expenditures	<u>(2,661,001)</u>	<u>(2,661,001)</u>	<u>(735,981)</u>	<u>1,925,020</u>
Other Financing Sources (Uses):				
Transfers in	1,986,666	1,986,666	73,783	(1,912,883)
Total other financing sources (uses)	<u>1,986,666</u>	<u>1,986,666</u>	<u>73,783</u>	<u>(1,912,883)</u>
Net change in fund balance	<u>(674,335)</u>	<u>(674,335)</u>	<u>(662,198)</u>	<u>12,137</u>
Fund balance - beginning of year, as restated	<u>645,089</u>	<u>645,089</u>	<u>2,969,110</u>	<u>2,324,021</u>
Fund balance - end of year	<u><u>(29,246)</u></u>	<u><u>(29,246)</u></u>	<u><u>2,306,912</u></u>	<u><u>2,336,158</u></u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Mental Health Fund Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	6,415,575	6,415,575	7,397,466	981,891
Use of money or property	—	—	33,106	33,106
Charges for services	50,000	50,000	72,579	22,579
Other revenue	439,748	439,748	—	(439,748)
Total Revenues	6,905,323	6,905,323	7,503,151	597,828
Expenditures:				
Current:				
Salaries & Benefits	4,208,225	4,208,225	3,380,496	827,729
Services & Supplies	2,005,600	2,005,600	1,517,938	487,662
Other Charges	320,800	320,800	348,322	(27,522)
Capital Assets	22,500	22,500	23,661	(1,161)
Indirect Costs	393,970	393,970	387,887	6,083
Total Expenditures	6,951,095	6,951,095	5,658,304	1,292,791
Excess (deficiency) of revenues over expenditures	(45,772)	(45,772)	1,844,847	1,890,619
Other Financing Sources (Uses):				
Transfer In	1,126,272	1,126,272	62,461	(1,063,811)
Transfer Out	(1,080,500)	(1,080,500)	—	1,080,500
Total other financing sources (uses)	45,772	45,772	62,461	16,689
Net change in fund balance	—	—	1,907,308	1,907,308
Fund balance - beginning of year, as restated	—	—	7,915,739	7,915,739
Fund balance - end of year	—	—	9,823,047	9,823,047

COUNTY OF SAN BENITO

Schedule of Changes in the Net Pension Liability and Related Ratios - Miscellaneous Plan
Last 10 years*

	Reporting Fiscal Year (Measurement Date)	
	2016 (2015)	2015 (2014)
Total Pension Liability		
Service Cost	\$ 2,669,215	\$ 2,807,691
Interest on Total Pension Liability	9,982,906	9,676,904
Changes in Assumptions	(2,443,007)	—
Differences between Expected and Actual Experience	(2,370,448)	
Benefit Payments, Including Refunds of Employee Contributions	(6,375,115)	(5,888,439)
Proportional Difference between County and Courts Share	(116,765)	(3,171,456)
Net Change in Total Pension Liability	1,346,786	3,424,700
Total Pension Liability - Beginning	133,990,455	130,565,755
Total Pension Liability - Ending (a)	\$ 135,337,241	\$ 133,990,455
Plan Fiduciary Net Position		
Plan to Plan Resource Movement	\$ 12,552	\$ —
Contributions - Employer	2,643,107	2,335,003
Contributions - Employee	1,282,053	1,317,844
Net Investment Income	2,363,317	15,669,334
Administrative Expense	(129,721)	—
Benefit Payments	(6,375,115)	(5,888,439)
Net Change in Plan Fiduciary Net Position	(203,807)	13,433,742
Plan Fiduciary Net Position - Beginning	104,355,965	90,922,223
Plan Fiduciary Net Position - Ending (b)	104,152,158	104,355,965
Net Pension Liability - Ending [(a) - (b)]	\$ 31,185,083	\$ 29,634,490
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.0%	77.9%
Covered Employee Payroll	\$ 16,887,977	\$ 16,609,778
Net Pension Liability as a Percentage of Covered Employee Payroll	184.7%	178.4%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate information for 10 years, however, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions - The discount rate was changes from 7.5% (net of administrative expense) to 7.65%.

COUNTY OF SAN BENITO

Schedule of Contributions - Miscellaneous Plan
Last 10 years*

	2015	2014
Actuarially Determined Contributions	\$ 2,643,107	\$ 2,335,003
Contributions in Relation to the Actuarially Determined Contributions	(2,643,107)	(2,335,003)
Contribution Deficiency (Excess)	—	—
Covered Employee Payroll	\$ 16,887,977	\$ 16,609,778
Contributions as a Percentage of Covered-Employee Payroll	15.7%	14.1%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate information for 10 years, however, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

COUNTY OF SAN BENITO

Schedule of Proportionate Share of the Net Pension Liability - Safety Plan
Last 10 years*

	Reporting Fiscal Year (Measurement Date)	
	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.28241%	0.204400%
Proportionate share of the net pension liability	\$ 12,283,792	\$ 12,718,583
Covered - employee payroll	\$ 5,032,565	\$ 4,639,083
Proportionate share of the net pension liability as percentage of covered employee payroll	244.09%	274.16%
Plan's fiduciary net position	\$ 39,569,647	\$ 37,453,856
Plan fiduciary net position as a percentage of the total pension liability	76.31%	74.65%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate information for 10 years, however, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions - The discount rate was changed from 7.5% (net of administrative expense) to 7.65% to correct for an adjustment to exclude administrative expense.

COUNTY OF SAN BENITO

Schedule of Contributions - Safety Plan
Last 10 years*

	2016		2015
Contractually required contribution (actuarially determined)	\$ 2,000,014	\$	1,614,663
Contribution in relation to the actuarially determined contributions	\$ (2,000,014)	\$	(1,614,663)
Contribution deficiency (excess)	\$ —	\$	—
Covered-employee payroll	\$ 5,712,124	\$	5,032,565
Contributions as a percentage of covered employee payroll	35.01%		32.08%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate information for 10 years, however, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

There were no changes in methods or assumptions used to determine the legally required contributions, which are actuarially determined, from the June 30, 2011 to the June 30, 2012 funding valuation report.

COUNTY OF SAN BENITO

**Retiree Healthcare Plan (OPEB) Schedule of Funding Progress
For the Year ended June 30, 2016**

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

Valuation Date	Actuarial Accrued Liabilities	Actuarial Value of Assets	Unfunded Actuarial Liabilities	Funded Ratio	Annual Covered Payroll	UL as a Percentage of Covered Payroll
7/1/2015	\$ 25,588,950	\$ 20,712,463	\$ 4,876,487	80.9%	\$ 24,410,286 *	19.98%
6/30/2014	\$ 30,241,842	\$ 14,563,383	\$ 15,678,459	48.2%	\$ 35,582,000	44.1%
6/30/2013	\$ 36,752,366	\$ 11,690,231	\$ 25,062,135	31.8%	\$ 27,443,958	91.32%

*Based on actual earnings reported to CalPERS for fiscal year ending June 30, 2016.

SUPPLEMENTARY INFORMATION



COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Fish and Game	Victim Witness	Emergency Medical Services	Migrant Labor Camp	CSWD	Mosquito Abatement
Assets						
Cash and investments in Treasury	\$ 3,878	\$ 2,641	\$ 65,387	\$ 101,476	\$ 32,667	\$ 10,226
Restricted assets - cash with fiscal agent	—	—	—	197,962	—	—
Imprest cash	—	—	—	—	—	—
Receivables	—	60,020	14,250	142,634	377,499	—
Due from other funds	—	—	—	—	—	—
Inventories and other assets	—	—	—	—	2,000	—
Total Assets	<u>3,878</u>	<u>62,661</u>	<u>79,637</u>	<u>442,072</u>	<u>412,166</u>	<u>10,226</u>
Liabilities						
Accounts payable and accrued liabilities	—	5,580	7,538	42,203	67,906	5,541
Due to other funds	—	57,530	—	—	180,689	749
Deposits from others	—	—	—	8,375	—	—
Total Liabilities	<u>—</u>	<u>63,110</u>	<u>7,538</u>	<u>50,578</u>	<u>248,595</u>	<u>6,290</u>
Deferred Inflows of Resources						
Unavailable revenues	—	—	—	142,634	132,095	—
Fund Balances						
Nonspendable	—	—	—	—	2,000	—
Assigned	3,878	—	72,099	248,860	29,476	3,936
Unassigned	—	(449)	—	—	—	—
Total Fund Balances	<u>3,878</u>	<u>(449)</u>	<u>72,099</u>	<u>248,860</u>	<u>31,476</u>	<u>3,936</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,878</u>	<u>\$ 62,661</u>	<u>\$ 79,637</u>	<u>\$ 442,072</u>	<u>\$ 412,166</u>	<u>\$ 10,226</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	County Service Areas	Family Support	Public Authority	Substance Abuse	Public Health	Public Safety Realignment	Cal Fire
Assets							
Cash and investments in Treasury	\$ 2,498,943	\$ 127,237	\$ 396,168	\$ 75,509	\$ 2,892,932	\$ 4,256,473	\$ —
Restricted assets - cash with fiscal agent	—	—	—	—	—	—	—
Imprest cash	—	—	—	—	50	—	—
Receivables	—	484,393	—	381,195	15,118	—	—
Due from other funds	—	—	—	—	—	—	—
Inventories and other assets	—	—	—	—	5,000	—	—
Total Assets	<u>2,498,943</u>	<u>611,630</u>	<u>396,168</u>	<u>456,704</u>	<u>2,913,100</u>	<u>4,256,473</u>	<u>—</u>
Liabilities							
Accounts payable and accrued liabilities	42,284	49,114	16,549	46,758	104,362	59,997	14
Due to other funds	674,994	318,140	—	124,397	—	—	83,812
Deposits from others	4,316	—	—	—	—	—	—
Total Liabilities	<u>721,594</u>	<u>367,254</u>	<u>16,549</u>	<u>171,155</u>	<u>104,362</u>	<u>59,997</u>	<u>83,826</u>
Deferred Inflows of Resources							
Unavailable revenues	—	484,393	—	—	63,409	—	—
Fund Balances							
Nonspendable	—	—	—	—	5,000	—	—
Restricted	—	—	—	—	—	4,196,476	—
Assigned	1,777,349	—	379,619	285,549	2,740,329	—	—
Unassigned	—	(240,017)	—	—	—	—	(83,826)
Total Fund Balances	<u>1,777,349</u>	<u>(240,017)</u>	<u>379,619</u>	<u>285,549</u>	<u>2,745,329</u>	<u>4,196,476</u>	<u>(83,826)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,498,943</u>	<u>\$ 611,630</u>	<u>\$ 396,168</u>	<u>\$ 456,704</u>	<u>\$ 2,913,100</u>	<u>\$ 4,256,473</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	County Fire Impact	Sheriff Equip. Impact	Jail & Juvenile Impact	Habitat Impact	Road Equip. Impr. Impact	Parks/Rec. Impact
Assets						
Cash and investments in Treasury	\$ 607,190	\$ 245,015	\$ 283,731	\$ 1,033,117	\$ 637,874	\$ 2,934,201
Restricted assets - cash with fiscal agent	—	—	—	—	—	—
Imprest cash	—	—	—	—	—	—
Receivables	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—
Inventories and other assets	—	—	—	—	—	—
Total Assets	<u>607,190</u>	<u>245,015</u>	<u>283,731</u>	<u>1,033,117</u>	<u>637,874</u>	<u>2,934,201</u>
Liabilities						
Accounts payable and accrued liabilities	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—
Deposits from others	—	—	—	—	—	—
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred Inflows of Resources						
Unavailable revenues	—	—	—	—	—	—
Fund Balances						
Nonspendable	—	—	—	—	—	—
Assigned	607,190	245,015	283,731	1,033,117	637,874	2,934,201
Unassigned	—	—	—	—	—	—
Total Fund Balances	<u>607,190</u>	<u>245,015</u>	<u>283,731</u>	<u>1,033,117</u>	<u>637,874</u>	<u>2,934,201</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 607,190</u>	<u>\$ 245,015</u>	<u>\$ 283,731</u>	<u>\$ 1,033,117</u>	<u>\$ 637,874</u>	<u>\$ 2,934,201</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Santa Ana Storm Drain	Traffic Impact	Inclusionary Housing	Home	Total Special Revenue Funds
Assets					
Cash and investments in Treasury	\$ 544,990	\$ 3,485,842	\$ 11,995	\$ 439,265	20,686,757
Restricted assets - cash with fiscal agent	—	—	—	—	197,962
Imprest cash	—	—	—	—	50
Receivables	—	—	—	—	1,475,109
Loan receivable	—	—	—	1,046,281	1,046,281
Due from other funds	—	674,994	—	—	674,994
Inventories and other assets	—	—	—	—	7,000
Total Assets	<u>544,990</u>	<u>4,160,836</u>	<u>11,995</u>	<u>1,485,546</u>	<u>24,088,153</u>
Liabilities					
Accounts payable and accrued liabilities	—	—	—	142,214	590,060
Due to other funds	—	—	—	—	1,440,311
Deposits from others	—	—	—	—	12,691
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>142,214</u>	<u>2,043,062</u>
Deferred Inflows of Resources					
Unavailable revenues	—	—	—	—	822,531
Fund Balances					
Nonspendable	—	—	—	1,046,281	1,053,281
Restricted	—	—	—	—	4,196,476
Assigned	544,990	4,160,836	11,995	297,051	16,297,095
Unassigned	—	—	—	—	(324,292)
Total Fund Balances	<u>544,990</u>	<u>4,160,836</u>	<u>11,995</u>	<u>1,343,332</u>	<u>21,222,560</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 544,990</u>	<u>\$ 4,160,836</u>	<u>\$ 11,995</u>	<u>\$ 1,485,546</u>	<u>24,088,153</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	Fish and Game	Victim Witness	Emergency Medical Services	Migrant Labor Camp	CSWD	Mosquito Abatement
Revenues:						
Taxes	—	—	—	—	—	201,518
Aid from other governments	—	184,009	—	371,075	1,629,873	—
Use of money and property	11	(253)	205	1,123	(268)	(46)
Fines, forfeitures and penalties	316	—	18,577	—	—	—
Charges for services	—	9,016	369,592	21,536	—	(63)
Other revenue	—	91	61,729	(193)	(45,452)	10
Total Revenues	<u>327</u>	<u>192,863</u>	<u>450,103</u>	<u>393,541</u>	<u>1,584,153</u>	<u>201,419</u>
Expenditures:						
Current:						
Public protection	(1,248)	151,601	—	—	—	—
Public ways and facilities	—	—	—	—	—	—
Health and sanitation	—	—	272,585	—	—	200,252
Public assistance	—	—	—	385,214	1,717,201	—
Capital outlay:						
Health and sanitation	—	—	—	—	—	—
Total Expenditures	<u>(1,248)</u>	<u>151,601</u>	<u>272,585</u>	<u>385,214</u>	<u>1,717,201</u>	<u>200,252</u>
Excess (deficiency) of revenues over expenditures	<u>1,575</u>	<u>41,262</u>	<u>177,518</u>	<u>8,327</u>	<u>(133,048)</u>	<u>1,167</u>
Other Financing Sources (uses):						
Transfers in	—	—	—	—	—	4,125
Transfers out	—	—	(128,426)	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(128,426)</u>	<u>—</u>	<u>—</u>	<u>4,125</u>
Net Change in Fund Balances	1,575	41,262	49,092	8,327	(133,048)	5,292
Fund balances - beginning of year, as restated	2,303	(41,711)	23,007	240,533	164,524	(1,356)
Fund balances - end of year	<u>\$ 3,878</u>	<u>\$ (449)</u>	<u>\$ 72,099</u>	<u>\$ 248,860</u>	<u>\$ 31,476</u>	<u>\$ 3,936</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	County Service Areas	Family Support	Public Authority	Substance Abuse	Public Health	Public Safety Realignment	Cal Fire
Revenues:							
Taxes	\$ 104,111	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 902,494
Aid from other governments	871	1,243,140	235,136	597,792	2,601,878	2,295,960	7,449
Use of money and property	(39,794)	—	(1,014)	794	8,010	15,766	(523)
Fines, forfeitures and penalties	—	—	—	11,165	1,798	—	—
Charges for services	803,694	—	—	5,380	673,549	—	—
Other revenue	—	1,551	105,880	112,912	1,671	—	300
Total Revenues	868,882	1,244,691	340,002	728,043	3,286,906	2,311,726	909,720
Expenditures:							
Current:							
Public protection	—	1,722,232	—	—	—	59,997	1,166,347
Public ways and facilities	423,680	—	—	—	—	—	—
Health and sanitation	—	—	—	1,265,009	2,848,550	—	—
Public assistance	—	—	1,497,126	—	—	—	—
Capital outlay:							
Health and sanitation	—	—	—	—	4,611	—	—
Total Expenditures	423,680	1,722,232	1,497,126	1,265,009	2,853,161	59,997	1,166,347
Excess (deficiency) of revenues over expenditures	445,202	(477,541)	(1,157,124)	(536,966)	433,745	2,251,729	(256,627)
Other Financing Sources (uses):							
Transfers in	—	—	1,153,000	216,000	—	—	275,000
Transfers out	—	—	—	—	(104)	(1,326,168)	—
Total other financing sources (uses)	—	—	1,153,000	216,000	(104)	(1,326,168)	275,000
Net Change in Fund Balances	445,202	(477,541)	(4,124)	(320,966)	433,641	925,561	18,373
Fund balances - beginning of year, as restated	1,332,147	237,524	383,743	606,515	2,311,688	3,270,915	(102,199)
Fund balances - end of year	<u>\$ 1,777,349</u>	<u>\$ (240,017)</u>	<u>\$ 379,619</u>	<u>\$ 285,549</u>	<u>\$ 2,745,329</u>	<u>\$ 4,196,476</u>	<u>\$ (83,826)</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	County Fire Impact	Sheriff Equip Impact	Jail & Juvenile Impact	Habitat Impact	Road Equip. Impr. Impact	Parks/Rec Impact
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Aid from other governments	—	—	—	—	—	—
Use of money and property	2,038	583	527	3,686	3,391	9,771
Fines, forfeitures and penalties	—	—	—	—	—	—
Charges for services	111,827	232,331	247,512	32,488	194,771	552,542
Other revenue	—	—	—	—	—	—
Total Revenues	113,865	232,914	248,039	36,174	198,162	562,313
Expenditures:						
Current:						
Public protection	—	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—
Capital outlay:						
Health and sanitation	—	—	—	—	—	—
Total Expenditures	—	—	—	—	—	—
Excess (deficiency) of revenues over expenditures	113,865	232,914	248,039	36,174	198,162	562,313
Other Financing Sources (uses):						
Transfers in	—	—	—	—	—	—
Transfers out	(24,959)	(48,601)	—	—	(403,802)	(62,563)
Total other financing sources (uses)	(24,959)	(48,601)	—	—	(403,802)	(62,563)
Net Change in Fund Balances	88,906	184,313	248,039	36,174	(205,640)	499,750
Fund balances - beginning of year, as restated	518,284	60,702	35,692	996,943	843,514	2,434,451
Fund balances - end of year	\$ 607,190	\$ 245,015	\$ 283,731	\$ 1,033,117	\$ 637,874	\$ 2,934,201

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2016

	Santa Ana Storm Drain	Traffic Impact	Inclusionary Housing	Home	Total Special Revenue Funds
Revenues:					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 1,208,123
Aid from other governments	—	—	—	—	9,167,183
Use of money and property	1,696	59,079	42	6,212	71,036
Fines, forfeitures and penalties	—	—	—	—	31,856
Charges for services	137,430	770,698	—	—	4,162,303
Other revenue	—	—	—	—	238,499
Total Revenues	139,126	829,777	42	6,212	14,879,000
Expenditures:					
Current:					
Public protection	—	—	—	—	3,098,929
Public ways and facilities	—	27,077	—	—	450,757
Health and sanitation	—	—	—	—	4,586,396
Public assistance	—	—	—	(150,231)	3,449,310
Capital outlay:					
Health and sanitation	—	—	—	—	4,611
Total Expenditures	—	27,077	—	(150,231)	11,590,003
Excess (deficiency) of revenues over expenditures	139,126	802,700	42	156,443	3,288,997
Other Financing Sources (uses):					
Transfers in	—	—	—	—	1,648,125
Transfers out	—	(9,618)	—	—	(2,004,241)
Total other financing sources (uses)	—	(9,618)	—	—	(356,116)
Net Change in Fund Balances	139,126	793,082	42	156,443	2,932,881
Fund balances - beginning of year, as restated	405,864	3,367,754	11,953	1,186,889	18,289,679
Fund balances - end of year	\$ 544,990	\$ 4,160,836	\$ 11,995	\$ 1,343,332	\$ 21,222,560

The accompanying notes are an integral part of these financial statements.

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Fish and Game Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Use of money or property	\$ —	\$ —	\$ 11	\$ 11
Fines, forfeits and penalties	500	500	316	(184)
Total Revenues	500	500	327	(173)
Expenditures:				
Current:				
Other charges	500	500	—	500
Indirect costs	(1,248)	(1,248)	(1,248)	—
Total Expenditures	(748)	(748)	(1,248)	500
Excess (deficiency) of revenues over expenditures	1,248	1,248	1,575	327
Net change in fund balance	1,248	1,248	1,575	327
Fund balance - beginning of year	—	—	2,303	2,303
Fund balance - end of year	\$ 1,248	\$ 1,248	\$ 3,878	\$ 2,630

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Victim Witness Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 118,291	\$ 152,869	\$ 184,009	\$ 31,140
Use of money or property	—	—	(253)	(253)
Charges for services	6,000	6,000	9,016	3,016
Other revenue	—	—	91	91
Total Revenues	124,291	158,869	192,863	33,994
Expenditures:				
Current:				
Salaries and benefits	117,857	144,935	135,697	9,238
Services and supplies	2,431	9,931	6,214	3,717
Indirect costs	9,832	9,832	9,690	142
Total Expenditures	130,120	164,698	151,601	12,955
Excess (deficiency) of revenues over expenditures	(5,829)	(5,829)	41,262	47,091
Net change in fund balance	(5,829)	(5,829)	41,262	47,091
Fund balance - beginning of year, as restated	5,829	5,829	(41,711)	(47,540)
Fund balance - end of year	\$ —	\$ —	\$ (449)	\$ (449)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Emergency Medical Services Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Use of money or property	\$ 500	\$ 500	\$ 205	\$ (295)
Fines, forfeits and penalties	20,000	20,000	18,577	(1,423)
Charges for services	389,055	389,055	369,592	(19,463)
Other revenue	57,000	57,000	61,729	4,729
Total Revenues	<u>466,555</u>	<u>466,555</u>	<u>450,103</u>	<u>(16,452)</u>
Expenditures:				
Current:				
Salaries and benefits	280,048	280,048	164,651	115,397
Services and supplies	266,613	232,036	63,293	168,743
Other charges	1,000	1,000	5,959	(4,959)
Indirect costs	39,114	39,114	38,682	432
Total Expenditures	<u>586,775</u>	<u>552,198</u>	<u>272,585</u>	<u>279,613</u>
Excess (deficiency) of revenues over expenditures	<u>(120,220)</u>	<u>(85,643)</u>	<u>177,518</u>	<u>263,161</u>
Other Financing Sources (Uses):				
Transfers in	58,000	58,000	—	(58,000)
Transfers out	—	(34,577)	(128,426)	93,849
Total other financing sources (uses)	<u>58,000</u>	<u>23,423</u>	<u>(128,426)</u>	<u>35,849</u>
Net change in fund balance	(62,220)	(62,220)	49,092	111,312
Fund balance - beginning of year, as restated	<u>62,220</u>	<u>62,220</u>	<u>23,007</u>	<u>(39,213)</u>
Fund balance - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 72,099</u>	<u>\$ 72,099</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Migrant Labor Camp Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 395,715	\$ 395,715	\$ 371,075	\$ (24,640)
Use of money or property	—	—	1,123	1,123
Charges for services	—	—	21,536	21,536
Other revenue	—	—	(193)	(193)
Total Revenues	395,715	395,715	393,541	(2,174)
Expenditures:				
Current:				
Salaries and benefits	240,384	240,384	210,470	29,914
Services and supplies	132,346	132,346	150,153	(17,807)
Other charges	—	—	(5,127)	5,127
Indirect costs	30,141	30,141	29,718	423
Total Expenditures	402,871	402,871	385,214	17,657
Excess (deficiency) of revenues over expenditures	(7,156)	(7,156)	8,327	15,483
Other Financing Sources (Uses):				
Transfers in	7,156	7,156	—	(7,156)
Total other financing sources (uses)	7,156	7,156	—	(7,156)
Net change in fund balance	—	—	8,327	8,327
Fund balance - beginning of year, as restated	—	—	240,533	240,533
Fund balance - end of year	\$ —	\$ —	\$ 248,860	\$ 248,860

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Community Services Workforce Development (CSWD) Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 3,707,376	\$ 3,714,630	\$ 1,629,873	\$ (2,084,757)
Use of money or property	—	—	(268)	(268)
Other revenue	—	—	(45,452)	(45,452)
Total Revenues	3,707,376	3,714,630	1,584,153	(2,130,477)
Expenditures:				
Current:				
Salaries and benefits	860,137	867,391	1,160,968	(293,577)
Services and supplies	557,563	570,465	147,150	423,315
Other charges	2,248,392	2,235,490	384,667	1,850,823
Indirect costs	25,913	25,913	24,416	1,497
Total Expenditures	3,692,005	3,699,259	1,717,201	1,982,058
Excess (deficiency) of revenues over expenditures	15,371	15,371	(133,048)	(148,419)
Net change in fund balance	15,371	15,371	(133,048)	(148,419)
Fund balance - beginning of year, as restated	—	—	164,524	164,524
Fund balance - end of year	\$ 15,371	\$ 15,371	\$ 31,476	\$ 16,105

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Mosquito Abatement Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 202,100	\$ 202,100	\$ 201,518	\$ (582)
Use of money or property	—	—	(46)	(46)
Charges for services	—	—	(63)	(63)
Other revenue	—	—	10	10
Total Revenues	<u>202,100</u>	<u>202,100</u>	<u>201,419</u>	<u>(681)</u>
Expenditures:				
Current:				
Salaries and benefits	148,531	148,531	152,425	(3,894)
Services and supplies	51,900	51,900	29,861	22,039
Other charges	—	—	4,944	(4,944)
Indirect costs	13,224	13,224	13,022	202
Total Expenditures	<u>213,655</u>	<u>213,655</u>	<u>200,252</u>	<u>13,403</u>
Excess (deficiency) of revenues over expenditures	<u>(11,555)</u>	<u>(11,555)</u>	<u>1,167</u>	<u>12,722</u>
Other Financing Sources (Uses):				
Transfers in	4,116	4,116	4,125	9
Total other financing sources (uses)	<u>4,116</u>	<u>4,116</u>	<u>4,125</u>	<u>9</u>
Net change in fund balance	(7,439)	(7,439)	5,292	12,731
Fund balance - beginning of year, as restated	7,439	7,439	(1,356)	(8,795)
Fund balance - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,936</u>	<u>\$ 3,936</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 County Service Areas (CSAs) Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 699,229	\$ 699,229	\$ 104,111	\$ (595,118)
Aid from other governments	—	—	871	871
Use of money or property	156,527	156,527	(39,794)	(196,321)
Charges for services	1,619	1,619	803,694	802,075
Other revenue	143,617	143,617	—	(143,617)
Total Revenues	1,000,992	1,000,992	868,882	(132,110)
Expenditures:				
Current:				
Salaries and benefits	259,593	259,593	—	259,593
Services and supplies	951,590	951,590	397,275	554,315
Other charges	15,822	15,822	3,030	12,792
Indirect costs	—	—	23,375	(23,375)
Total Expenditures	1,227,005	1,227,005	423,680	803,325
Excess (deficiency) of revenues over expenditures	(226,013)	(226,013)	445,202	671,215
Net change in fund balance	(226,013)	(226,013)	445,202	671,215
Fund balance - beginning of year, as restated	431,015	431,015	1,332,147	901,132
Fund balance - end of year	\$ 205,002	\$ 205,002	\$ 1,777,349	\$ 1,572,347

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Family Support Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 1,902,144	\$ 1,902,144	\$ 1,243,140	\$ (659,004)
Other revenue	1,300	1,300	1,551	251
Total Revenues	<u>1,903,444</u>	<u>1,903,444</u>	<u>1,244,691</u>	<u>(658,753)</u>
Expenditures:				
Current:				
Salaries and benefits	1,547,592	1,547,592	1,356,963	190,629
Services and supplies	201,600	201,600	213,656	(12,056)
Indirect costs	154,252	154,252	151,613	2,639
Total Expenditures	<u>1,903,444</u>	<u>1,903,444</u>	<u>1,722,232</u>	<u>181,212</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>(477,541)</u>	<u>(477,541)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>(477,541)</u>	<u>(477,541)</u>
Fund balance - beginning of year, as restated	<u>—</u>	<u>—</u>	<u>237,524</u>	<u>237,524</u>
Fund balance - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (240,017)</u>	<u>\$ (240,017)</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Public Authority Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 375,157	\$ 375,157	\$ 235,136	\$ (140,021)
Use of money or property	—	—	(1,014)	(1,014)
Other revenue	—	—	105,880	105,880
Total Revenues	<u>375,157</u>	<u>375,157</u>	<u>340,002</u>	<u>(35,155)</u>
Expenditures:				
Current:				
Salaries and benefits	171,607	171,607	133,654	37,953
Services and supplies	25,600	29,402	31,649	(2,247)
Other charges	1,307,050	1,303,248	1,307,503	(4,255)
Indirect costs	23,900	23,900	24,320	(420)
Total Expenditures	<u>1,528,157</u>	<u>1,528,157</u>	<u>1,497,126</u>	<u>31,031</u>
Excess (deficiency) of revenues over expenditures	<u>(1,153,000)</u>	<u>(1,153,000)</u>	<u>(1,157,124)</u>	<u>(4,124)</u>
Other Financing Sources (Uses):				
Transfers in	<u>1,153,000</u>	<u>1,153,000</u>	<u>1,153,000</u>	<u>—</u>
Total other financing sources (uses)	<u>1,153,000</u>	<u>1,153,000</u>	<u>1,153,000</u>	<u>—</u>
Net change in fund balance	—	—	(4,124)	(4,124)
Fund balance - beginning of year, as restated	<u>—</u>	<u>—</u>	<u>383,743</u>	<u>383,743</u>
Fund balance - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 379,619</u>	<u>\$ 379,619</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Substance Abuse Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 1,420,949	\$ 1,420,949	\$ 597,792	\$ (823,157)
Use of money or property	—	—	794	794
Fines, forfeits and penalties	—	—	11,165	11,165
Charges for services	5,950	5,950	5,380	(570)
Other revenue	—	—	112,912	112,912
Total Revenues	1,426,899	1,426,899	728,043	(698,856)
Expenditures:				
Current:				
Salaries and benefits	1,053,527	1,053,527	950,665	102,862
Services and supplies	204,530	204,530	204,043	487
Other charges	87,000	87,000	21,098	65,902
Indirect costs	90,842	90,842	89,203	1,639
Total Expenditures	1,435,899	1,435,899	1,265,009	170,890
Excess (deficiency) of revenues over expenditures	(9,000)	(9,000)	(536,966)	(527,966)
Other Financing Sources (Uses):				
Transfers in	—	—	216,000	216,000
Total other financing sources (uses)	—	—	216,000	216,000
Net change in fund balance	(9,000)	(9,000)	(320,966)	(311,966)
Fund balance - beginning of year, as restated	—	—	606,515	606,515
Fund balance - end of year	\$ (9,000)	\$ (9,000)	\$ 285,549	\$ 294,549

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Public Health Special Revenue Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Revenues:				
Aid from other governments	\$ 3,285,515	\$ 3,470,397	\$ 2,601,878	\$ (868,519)
Use of money or property	500	500	8,010	7,510
Fines, forfeits and penalties	2,500	2,500	1,798	(702)
Charges for services	507,450	507,450	673,549	166,099
Other revenue	35,998	35,998	1,671	(34,327)
Total Revenues	3,831,963	4,016,845	3,286,906	(729,939)
Expenditures:				
Current:				
Salaries and benefits	2,746,992	2,752,032	2,209,713	542,319
Services and supplies	538,257	567,280	402,443	164,837
Other charges	66,753	212,753	67,743	145,010
Capital assets	—	4,819	4,611	208
Indirect costs	172,257	172,257	168,651	3,606
Total Expenditures	3,524,259	3,709,141	2,853,161	855,980
Excess (deficiency) of revenues over expenditures	307,704	307,704	433,745	126,041
Other Financing Sources (Uses):				
Transfers in	405,458	405,458	—	(405,458)
Transfers out	(405,458)	(405,458)	(104)	405,354
Total other financing sources (uses)	—	—	(104)	(104)
Net change in fund balance	307,704	307,704	433,641	125,937
Fund balance - beginning of year, as restated	—	—	2,311,688	2,311,688
Fund balance - end of year	<u>\$ 307,704</u>	<u>\$ 307,704</u>	<u>\$ 2,745,329</u>	<u>\$ 2,437,625</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Cal Fire Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 899,950	\$ 899,950	\$ 902,494	\$ 2,544
Aid from other governments	8,500	8,500	7,449	(1,051)
Use of money or property	—	—	(523)	(523)
Other revenue	—	—	300	300
Total Revenues	908,450	908,450	909,720	1,270
Expenditures:				
Current:				
Services and supplies	1,135,490	1,135,490	1,134,006	1,484
Indirect costs	32,367	32,367	32,341	26
Total Expenditures	1,167,857	1,167,857	1,166,347	1,510
Excess (deficiency) of revenues over expenditures	(259,407)	(259,407)	(256,627)	2,780
Other Financing Sources (Uses):				
Transfers in	259,407	259,407	275,000	15,593
Total other financing sources (uses)	259,407	259,407	275,000	15,593
Net change in fund balance	—	—	18,373	18,373
Fund balance - beginning of year	—	—	(102,199)	(102,199)
Fund balance - end of year	\$ —	\$ —	\$ (83,826)	\$ (83,826)

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds	Capital Projects Fund	Developer Projects Fund	Total Other Governmental Funds
Assets				
Cash and investments in Treasury	\$ 20,686,757	\$ —	\$ 2,717,042	\$ 23,403,799
Restricted assets - cash with fiscal agent	197,962	—	—	197,962
Imprest cash	50	—	—	50
Receivables	1,475,109	413,353	—	1,888,462
Loan receivable	1,046,281	—	—	1,046,281
Due from other funds	674,994	—	—	674,994
Inventories and other assets	7,000	—	—	7,000
Total Assets	24,088,153	413,353	2,717,042	27,218,548
Liabilities				
Accounts payable and accrued liabilities	590,060	93,296	31,500	714,856
Due to other funds	1,440,311	402,176	—	1,842,487
Deposits from others	12,691	—	—	12,691
Total Liabilities	2,043,062	495,472	31,500	2,570,034
Deferred Inflows of Resources				
Unavailable revenues	822,531	538,123	—	1,360,654
Fund Balances				
Nonspendable	1,053,281	—	—	1,053,281
Restricted	4,196,476	—	2,685,542	6,882,018
Assigned	16,297,095	—	—	16,297,095
Unassigned	(324,292)	(620,242)	—	(944,534)
Total Fund Balances	21,222,560	(620,242)	2,685,542	23,287,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,088,153	\$ 413,353	\$ 2,717,042	\$ 27,218,548

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Capital Project Funds	Developer Projects Fund	Total Other Governmental Funds
Revenues:				
Taxes	\$ 1,208,123	\$ —	\$ —	\$ 1,208,123
Aid from other governmental agencies	9,167,183	—	—	9,167,183
Use of money or property	71,036	—	9,813	80,849
Fines, forfeitures and penalties	31,856	—	—	31,856
Charges for services	4,162,303	—	(7,387)	4,154,916
Other revenue	238,499	16,585	—	255,084
Total Revenues	14,879,000	16,585	2,426	14,898,011
Expenditures:				
Current:				
Public protection	3,098,929	—	—	3,098,929
Public ways and facilities	450,757	—	—	450,757
Health and sanitation	4,586,396	—	—	4,586,396
Public assistance	3,449,310	—	—	3,449,310
Capital outlay:				
General government	—	135,148	—	135,148
Public protection	—	191,758	—	191,758
Public ways and facilities	—	341,996	—	341,996
Health and sanitation	4,611	—	—	4,611
Public assistance	—	833,275	—	833,275
Recreation and culture	—	62,563	—	62,563
Total Expenditures	11,590,003	1,564,740	—	13,154,743
Excess (deficiency) of revenues over expenditures	3,288,997	(1,548,155)	2,426	1,743,268
Other Financing Sources (uses):				
Transfers in	1,648,125	1,564,844	—	3,212,969
Transfers out	(2,004,241)	(16,689)	—	(2,020,930)
Total other financing sources (uses)	(356,116)	1,548,155	—	1,192,039
Net change in fund balances	2,932,881	—	2,426	2,935,307
Fund balances - beginning of year	18,289,679	(620,242)	2,683,116	20,352,553
Fund balances - end of year	\$ 21,222,560	\$ (620,242)	\$ 2,685,542	\$ 23,287,860

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues:				
Other revenue	\$ —	\$ —	\$ 16,585	16,585
Total Revenues	—	—	16,585	16,585
Expenditures:				
Capital outlay:				
General government	—	—	135,148	(135,148)
Public protection	—	—	191,758	(191,758)
Public ways and facilities	—	—	341,996	(341,996)
Health and sanitation	8,747,661	8,747,661	—	8,747,661
Public assistance	—	—	833,275	(833,275)
Recreation and culture	—	—	62,563	(62,563)
Total Expenditures	8,747,661	8,747,661	1,564,740	7,182,921
Excess (deficiency) of revenues over expenditures	(8,747,661)	(8,747,661)	(1,548,155)	(7,199,506)
Other Financing Sources (Uses):				
Transfers In	8,747,661	8,747,661	1,564,844	(7,182,817)
Transfers Out	—	—	(16,689)	16,689
Total other financing sources (uses)	8,747,661	8,747,661	1,548,155	(7,166,128)
Net change in fund balance	—	—	—	—
Fund balance - beginning of year	—	—	(620,242)	(620,242)
Fund balance - end of year	\$ —	\$ —	\$ (620,242)	\$ (620,242)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Solid Waste Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating Revenues:				
Aid from other governmental agencies	\$ 50,000	\$ 50,000	\$ 144,683	94,683
Charges for services	823,662	823,662	1,113,071	289,409
Total Operating Revenues	873,662	873,662	1,257,754	384,092
Operating Expenditures:				
Salaries & Benefits	279,031	279,031	104,961	174,070
Services & Supplies	454,939	454,939	512,467	(57,528)
Other Charges - Landfill closure cost	—	—	37,626	(37,626)
Indirect Costs	44,035	44,035	43,716	319
Depreciation & Amortization	—	—	53,598	(53,598)
Total Operating Expense	778,005	778,005	752,368	25,637
Net Operating Income	95,657	95,657	505,386	409,729
Non-operating Revenues (Expense):				
Transfers In (Out)	(1,896,211)	(1,896,211)	(2,359)	1,893,852
Interest Income	10,000	10,000	18,010	8,010
Total Non-Operating Revenues (Expenses)	(1,886,211)	(1,886,211)	15,651	1,901,862
Change in Net Position	(1,790,554)	(1,790,554)	521,037	2,311,591
Net Position - Beginning of year, as restated	5,265,950	5,265,950	5,277,222	—
Net Position - End of Year	<u>\$3,475,396</u>	<u>\$3,475,396</u>	<u>\$5,798,259</u>	<u>\$2,311,591</u>

STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive financial report.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue sources, property tax and sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedule contains information on government employees for each function and detailed by department.



COUNTY OF SAN BENITO

Net Position by Component
Last Ten Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 92,364,711	\$ 93,870,818	\$ 94,119,963	\$ 92,067,037	\$ 89,058,169	\$ 92,475,014	\$ 91,060,584	\$ 91,509,750	\$ 91,371,397	\$ 91,989,265
Restricted	26,080,558	—	—	—	—	225,314	225,314	243,451	243,451	243,451
Unrestricted	(6,156,652)	(8,761,171)	32,472,292	29,140,032	30,355,364	34,887,387	45,527,244	53,799,469	57,893,181	65,179,628
Total governmental activities net position	\$ 112,288,617	\$ 85,109,647	\$ 126,592,255	\$ 121,207,069	\$ 119,413,533	\$ 127,587,715	\$ 136,813,142	\$ 145,552,670	\$ 149,508,029	\$ 157,412,344
Business-type activities										
Net investment in capital assets	\$ 824,901	\$ 876,192	\$ 947,300	\$ 907,172	\$ 845,725	\$ 596,388	\$ 488,115	\$ 317,136	\$ 327,951	\$ 338,766
Restricted	131,691	—	—	—	—	—	—	—	—	—
Unrestricted	4,841,667	4,522,364	4,712,390	4,291,455	4,203,473	4,145,519	4,188,533	3,934,792	3,987,072	3,311,890
Total business-type activities net position	\$ 5,798,259	\$ 5,398,556	\$ 5,659,690	\$ 5,198,627	\$ 5,049,198	\$ 4,741,907	\$ 4,676,648	\$ 4,251,928	\$ 4,315,023	\$ 3,650,656
Primary government										
Net investment in capital assets	\$ 93,189,612	\$ 94,747,010	\$ 95,067,263	\$ 92,974,209	\$ 89,903,894	\$ 93,071,402	\$ 91,548,699	\$ 91,826,886	\$ 91,699,348	\$ 92,328,031
Restricted	26,212,249	—	—	—	—	225,314	225,314	243,451	243,451	243,451
Unrestricted	(1,314,985)	(4,238,807)	37,184,682	33,431,487	34,558,837	39,032,906	49,715,777	57,734,261	61,880,253	68,491,518
Total primary government net position	\$ 118,086,876	\$ 90,508,203	\$ 132,251,945	\$ 126,405,696	\$ 124,462,731	\$ 132,329,622	\$ 141,489,790	\$ 149,804,598	\$ 153,823,052	\$ 161,063,000

Notes:

(1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net assets are considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Source:

San Benito County Clerk, Auditor and Recorder

COUNTY OF SAN BENITO

Changes in Net Position
Last Nine Years (accrual basis of accounting)

Fiscal Year Ended June 30,

Expenses (by function)	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities									
General government	4,820,901	6,913,665	2,872,536	3,682,386	9,867,243	6,058,757	6,124,809	8,988,827	6,529,937
Public protection	26,361,016	27,914,449	24,900,347	25,516,934	26,978,343	30,771,788	29,132,253	28,570,852	26,247,820
Public ways and facilities	7,491,909	5,867,005	6,324,848	6,655,356	7,038,005	8,221,996	7,942,193	7,615,680	14,064,473
Health and sanitation	10,509,822	9,576,959	9,513,485	9,926,853	9,658,580	9,504,909	10,443,296	9,795,150	9,449,693
Public assistance	21,563,780	20,714,730	19,623,809	16,677,671	19,450,340	20,428,859	21,503,579	19,653,854	18,393,087
Education	929,498	1,063,203	1,006,320	820,203	839,647	1,557,718	1,134,128	987,627	989,859
Recreation and culture	138,641	220,421	182,163	179,184	437,982	562,217	229,023	855,593	296,996
Debt Service:									
Interest	—	1,877	2,924	5,299	13,182	11,896	12,321	47,658	41,111
Total governmental activities expenses	71,815,567	72,272,309	64,426,432	63,463,886	74,283,322	77,118,140	76,521,602	76,515,241	76,012,976
Business-type activities:									
Solid waste	752,368	(4,428,282)	1,230,478	1,208,059	1,239,238	1,012,760	1,036,231	1,340,849	714,968
Total business-type activities expenses	752,368	(4,428,282)	1,230,478	1,208,059	1,239,238	1,012,760	1,036,231	1,340,849	714,968
Total Primary Government Expenses	72,567,935	67,844,027	65,656,910	64,671,945	75,522,560	78,130,900	77,557,833	77,856,090	76,727,944
Program Revenues (by function)									
Governmental activities									
Fees, fines and charges for services:									
General government	3,736,463	4,341,391	1,135,198	2,400,487	1,247,423	1,787,088	1,454,124	2,846,454	1,585,381
Public protection	5,020,426	4,886,764	8,593,707	5,683,470	6,375,969	5,988,777	5,093,445	4,692,125	4,632,088
Public ways and facilities	1,429,875	1,161,336	3,800,870	1,145,966	1,512,540	1,045,309	897,820	1,551,404	1,706,418
Health and sanitation	842,388	761,028	590,513	611,245	881,440	899,220	1,126,518	730,704	858,828
Public assistance	30,532	9,255	88,761	16,086	132,347	367,225	53,604	675,515	14,146
Education	31,299	254,356	42,402	31,554	134,701	376,365	62,226	38,459	36,114
Recreation and culture	628,097	264,138	178,408	116,590	108,311	91,736	70,494	160,413	189,489
Operating grants and contributions	48,757,219	43,858,372	34,169,280	36,862,728	38,914,593	40,186,593	39,131,033	40,698,912	38,757,539
Capital grants and contributions	783,949	1,016,997	5,381,065	3,448,335	1,304,425	1,048,873	2,649,825	2,740,904	—
Total governmental activities program	61,260,248	56,553,637	53,980,204	50,316,461	50,611,749	51,791,186	50,539,089	54,134,890	47,780,003
Business-type activities:									
Solid Waste									
Charges for services	1,113,071	960,135	1,650,139	1,300,126	1,402,743	1,210,964	1,347,746	1,068,164	1,110,902
Operating grants and contributions	144,683	—	—	—	—	—	—	—	—
Total Business-type activities revenue	1,257,754	960,135	1,650,139	1,300,126	1,402,743	1,210,964	1,347,746	1,068,164	1,110,902
Total Primary Government Program Revenues	62,518,002	57,513,772	55,630,343	51,616,587	52,014,492	53,002,150	51,886,835	55,203,054	48,890,905

Notes:

(1) Trend information is available only for the last nine years due to the implementation of GASB

34. Source: San Benito County Clerk, Auditor and Recorder

COUNTY OF SAN BENITO
Changes in Net Position
Last Nine Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expenses)/Revenue									
Governmental activities	(10,555,319)	(15,718,672)	(10,446,228)	(13,147,425)	(23,671,573)	(25,326,954)	(25,982,513)	(22,380,351)	(28,232,973)
Business-type activities	505,386	5,388,417	419,661	92,067	163,505	198,204	311,515	(272,685)	395,934
Total Primary Net (Expenses)/Revenue	<u>(10,049,933)</u>	<u>(10,330,255)</u>	<u>(10,026,567)</u>	<u>(13,055,358)</u>	<u>(23,508,068)</u>	<u>(25,128,750)</u>	<u>(25,670,998)</u>	<u>(22,653,036)</u>	<u>(27,837,039)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes	14,904,105	14,163,226	12,451,983	11,987,365	11,350,510	11,894,375	12,170,639	14,969,680	15,687,145
Sales and use taxes	1,641,346	1,500,211	1,390,428	1,517,488	1,391,853	1,258,710	1,067,883	1,216,365	1,263,107
Franchise taxes	527,120	440,703	488,469	421,712	442,047	443,428	431,446	390,068	396,690
Other taxes	1,439,178	751,435	764,008	360,818	367,715	300,983	307,810	337,718	85,697
Unrestricted interest and investment earnings	385,480	222,370	185,960	203,534	461,213	75,720	398,888	1,006,021	1,556,510
Miscellaneous	1,149,886	2,241,644	550,567	450,045	1,477,376	1,965,192	2,866,319	505,140	1,339,509
Transfers	2,359	5,567,077	—	—	6,678	163,119	—	—	—
Total governmental activities	<u>20,049,474</u>	<u>24,886,666</u>	<u>15,831,415</u>	<u>14,940,962</u>	<u>15,497,392</u>	<u>16,101,527</u>	<u>17,242,985</u>	<u>18,424,992</u>	<u>20,328,658</u>
Business-type activities:									
Other taxes	—	—	—	—	—	—	33,633	17,320	(6,975)
Transfers	(2,359)	(5,567,077)	—	—	—	(163,119)	—	—	—
Unrestricted interest and investment earnings	18,010	30,198	41,400	57,362	143,786	30,174	79,572	192,270	275,408
Total business-type activities	<u>15,651</u>	<u>(5,536,879)</u>	<u>41,400</u>	<u>57,362</u>	<u>143,786</u>	<u>(132,945)</u>	<u>113,205</u>	<u>209,590</u>	<u>268,433</u>
Total Primary Government	<u><u>20,065,125</u></u>	<u><u>19,349,787</u></u>	<u><u>15,872,815</u></u>	<u><u>14,998,324</u></u>	<u><u>15,641,178</u></u>	<u><u>15,968,582</u></u>	<u><u>17,356,190</u></u>	<u><u>18,634,582</u></u>	<u><u>20,597,091</u></u>
Change in Net Position									
Governmental activities	9,494,155	9,167,994	5,385,187	1,793,537	(8,174,181)	(9,225,427)	(8,739,528)	(3,955,359)	(7,904,315)
Business-type activities	521,037	(148,462)	461,061	149,429	307,291	65,259	424,720	(63,095)	664,367
Total Primary Government	<u><u>\$ 10,015,192</u></u>	<u><u>\$ 9,019,532</u></u>	<u><u>\$ 5,846,248</u></u>	<u><u>\$ 1,942,966</u></u>	<u><u>\$ (7,866,890)</u></u>	<u><u>\$ (9,160,168)</u></u>	<u><u>\$ (8,314,808)</u></u>	<u><u>\$ (4,018,454)</u></u>	<u><u>\$ (7,239,948)</u></u>

Notes:

(1) Trend information is available only for the last nine years due to the implementation of GASB 34. Source: San Benito County Clerk, Auditor and Recorder

COUNTY OF SAN BENITO

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,063,761	\$ 451,322	\$ 737,316	\$ 639,557
Unreserved	—	—	—	—	—	—	17,435,187	25,836,693	24,190,206	25,659,308
Nonspendable	200,245	126,980	166,047	8,583	503,686	276,138	—	—	—	—
Restricted	2,288,857	—	—	—	—	—	—	—	—	—
Assigned	5,861,125	—	—	1,629,420	1,319,553	—	—	—	—	—
Unassigned	18,986,948	21,724,081	16,342,158	11,599,259	10,741,330	17,290,531	—	—	—	—
Total general fund	<u>27,337,175</u>	<u>21,851,061</u>	<u>16,508,205</u>	<u>13,237,262</u>	<u>12,564,569</u>	<u>17,566,669</u>	<u>20,498,948</u>	<u>26,288,015</u>	<u>24,927,522</u>	<u>26,298,865</u>
All Other Governmental Funds										
Reserved	—	—	—	—	—	—	—	—	507,309	7,045,395
Unreserved, reported in										
Special revenue funds	—	—	—	—	—	—	31,267,815	34,037,109	39,725,259	38,736,491
Capital project fund	—	—	—	—	—	—	—	—	—	365,786
Nonspendable	1,114,335	52,511	63,644	111,752	135,876	111,062	—	—	—	—
Restricted	23,791,701	8,560,596	6,669,584	—	—	—	—	—	—	—
Assigned	16,983,721	19,022,253	16,160,602	24,172,212	25,672,149	27,084,479	—	—	—	—
Unassigned	(944,534)	(914,430)	(995,944)	(924,913)	(213,777)	—	—	—	—	—
Total all other governmental funds	<u>40,945,223</u>	<u>26,720,930</u>	<u>21,897,886</u>	<u>23,359,051</u>	<u>25,594,248</u>	<u>27,195,541</u>	<u>31,267,815</u>	<u>34,037,109</u>	<u>40,232,568</u>	<u>46,147,672</u>
Total governmental fund balances	<u>\$ 68,282,398</u>	<u>\$ 48,571,991</u>	<u>\$ 38,406,091</u>	<u>\$ 36,596,313</u>	<u>\$ 38,158,817</u>	<u>\$ 44,762,210</u>	<u>\$ 51,766,763</u>	<u>\$ 60,325,124</u>	<u>\$ 65,160,090</u>	<u>\$ 72,446,537</u>

Notes: The County implemented GASB 54 during fiscal year 2010/11.

COUNTY OF SAN BENITO

Changes in Fund Balance - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes	\$ 17,173,324	\$ 16,855,575	\$ 15,685,513	\$152,078,722	\$ 14,444,893	\$ 14,560,800	\$ 15,110,446	\$ 16,324,293	\$ 16,889,149	\$ 15,867,711
Licenses and permits	1,757,688	759,936	988,892	874,270	764,244	890,078	802,321	859,554	1,219,250	1,064,655
Aid from other governments	45,379,095	45,484,109	40,239,368	39,942,184	40,498,522	42,392,956	41,790,197	43,622,820	37,810,749	39,344,024
Use of money or property	385,480	222,370	362,084	398,684	995,570	304,774	643,485	1,988,669	3,111,864	3,962,590
Fines, forfeits and penalties	2,469,281	2,959,499	1,014,266	1,315,372	1,109,556	1,311,104	884,903	1,204,310	1,173,016	1,192,802
Charges for services	8,840,711	7,958,833	8,760,820	6,796,601	7,376,382	7,144,250	5,950,541	7,645,493	6,946,304	6,684,357
Other revenue	1,561,943	2,241,644	680,371	722,489	913,295	1,116,027	869,279	914,743	958,329	2,118,502
Total Revenues	77,567,522	76,481,966	67,731,314	65,257,422	66,102,462	67,719,989	66,051,172	72,559,882	68,108,661	70,234,641
Expenditures:										
Current:										
General government	4,555,064	5,967,509	2,863,529	3,750,873	9,713,466	5,186,443	5,848,111	8,473,325	6,847,551	4,542,937
Public protection	27,722,110	27,225,640	24,273,597	25,674,417	26,698,531	32,234,130	28,458,308	27,804,398	26,176,299	24,121,566
Public ways and facilities	2,556,868	2,341,139	2,860,539	4,367,858	3,606,701	4,950,124	4,597,656	4,327,411	10,253,316	6,032,801
Health and sanitation	10,221,039	9,498,738	9,482,653	9,930,586	9,651,858	9,173,126	10,216,601	9,768,354	9,604,141	7,968,913
Public assistance	22,191,427	20,653,942	19,533,009	18,439,911	19,562,543	20,404,239	20,926,997	19,880,854	18,410,390	17,653,652
Education	904,665	1,045,146	985,158	812,642	791,108	1,456,158	1,046,484	937,628	1,022,611	819,141
Recreation and culture	142,257	138,010	125,063	581,967	377,356	729,216	193,013	803,730	388,845	210,810
Capital outlay	3,541,440	4,289,142	5,434,064	2,895,373	1,706,788	2,390,945	3,095,496	5,213,309	2,452,508	4,297,734
Debt Service:										
Principal	—	722,000	361,000	361,000	591,000	225,000	210,000	205,000	195,000	185,000
Interest	—	1,877	2,924	5,299	13,182	17,290	16,867	33,508	44,446	46,923
Total Expenditures	71,834,870	71,883,143	65,921,536	66,819,926	72,712,533	76,766,671	74,609,533	77,447,517	75,395,107	65,879,477
Excess (deficiency) of revenues over expenditures	5,732,652	4,598,823	1,809,778	(1,562,504)	(6,610,071)	(9,046,682)	(8,558,361)	(4,887,635)	(7,286,446)	4,355,164
Other Financing Sources (Uses):										
Transfers in	4,923,670	9,923,805	4,881,133	2,363,061	4,470,443	6,792,657	4,267,633	11,716,662	10,183,215	4,670,987
Transfers out	(4,921,311)	(4,356,728)	(4,881,133)	(2,363,061)	(4,463,765)	(6,629,538)	(4,267,633)	(11,716,662)	(10,183,215)	(4,670,987)
Proceeds from borrowing	—	—	—	—	—	18,790,008	—	—	—	—
Capital leases	—	—	—	—	—	—	—	52,668	—	—
Total other financing sources (uses)	2,359	5,567,077	—	—	6,678	2,042,127	—	52,668	—	—
Net change in fund balances	5,735,011	10,165,900	1,809,778	(1,562,504)	(6,603,393)	(7,004,555)	(8,558,361)	(4,834,967)	(7,286,446)	4,355,164
Fund balances, beginning of year	62,547,387	38,406,091	36,596,313	38,158,817	44,762,210	51,766,765	60,325,124	65,160,091	72,446,536	68,091,373
Fund balances, end of year	\$ 68,282,398	\$ 48,571,991	\$ 38,406,091	\$ 36,596,313	\$ 38,158,817	\$ 44,762,210	\$ 51,766,763	\$ 60,325,124	\$ 65,160,090	\$ 72,446,537

COUNTY OF SAN BENITO

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year End June 30	Gross Assessed Value				Exempt ^d	Net Assessed Taxable Value ^e	Total Direct Tax Rate
	Secured ^a	Unsecured ^b	Utility ^c	Total			
2016	6,522,864	360,571	141,922	7,025,357	163,969	6,861,388	1.00%
2015	6,104,580	362,446	129,807	6,596,833	163,555	6,433,278	1.00%
2014	5,662,510	323,416	126,599	6,112,525	161,736	5,950,789	1.00%
2013	5,357,366	281,741	120,244	5,759,351	160,959	5,598,392	1.00%
2012	5,461,504	262,487	114,048	5,838,039	150,543	5,687,496	1.00%
2011	5,600,542	254,491	109,094	5,964,127	142,180	5,821,947	1.00%
2010	5,903,395	264,930	108,569	6,276,894	145,296	6,131,598	1.00%
2009	6,466,350	252,700	105,350	6,824,400	140,031	6,684,369	1.00%
2008	6,573,600	216,000	98,000	6,887,600	136,712	6,750,888	1.00%
2007	6,180,300	208,500	93,600	6,482,400	134,670	6,347,730	1.00%

- a. Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.
- b. Unsecured property is generally personal property including machinery, equipment, tools and supplies.
- c. State regulated utility property. These are assessed by the State Board of Equalization
- d. Exempt properties include full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- e. Due to the 1978 passage of the property tax initiative Proposition 13, the County does not track the estimated actual value of all county properties. Under Prop. 13 property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop. 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Data Source: San Benito County Assessor's Annual Reports

COUNTY OF SAN BENITO

Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ending 6/30:	Taxes Levied (1)	Collections Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	84,064,227	82,906,000	99%	N/A	82,906,000	99%
2015	77,259,690	76,200,565	99%	543,018	76,743,583	99%
2014	71,540,713	70,535,083	99%	709,085	71,244,168	100%
2013	67,648,211	66,400,726	98%	1,008,179	67,408,905	100%
2012	68,224,241	66,178,276	97%	1,691,762	67,870,038	99%
2011	69,133,645	66,871,670	97%	2,028,757	68,900,427	100%
2010	72,320,271	68,747,433	95%	3,177,647	71,925,080	99%
2009	79,082,862	74,064,443	94%	4,944,322	79,008,765	100%
2008	79,711,678	73,316,595	92%	6,288,354	79,604,949	100%
2007	74,808,177	70,833,100	95%	3,806,538	74,639,638	100%

Taxes Levied includes the Secured, Unsecured and Unitary Tax levy for the County and school districts, cities and special districts under the supervision of independent governing boards.

Note (1) Based on final levy after adjustments

Source: San Benito County Auditor

COUNTY OF SAN BENITO

Property Tax Rates as % of Assessed Value
 Direct and Overlapping Governments
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	County of San Benito	Cities	Range of overlapping Rates (%):					
			Schools			Special Districts		
2016	1.000	n/a	0.0502	—	0.1068	—	—	0.2745
2015	1.000	n/a	0.0239	—	0.0962	0.0284	—	0.2784
2014	1.000	n/a	0.0248	—	0.0987	0.0300	—	0.2800
2013	1.000	n/a	0.0257	—	0.1107	0.0311	—	0.2811
2012	1.000	n/a	0.0217	—	0.0955	0.0008	—	0.2798
2011	1.000	n/a	0.0199	—	0.0889	0.0008	—	0.2784
2010	1.000	n/a	0.0163	—	0.0887	0.0010	—	0.2762
2009	1.000	n/a	0.0138	—	0.0816	0.0008	—	0.2734
2008	1.000	n/a	0.0138	—	0.0781	0.0012	—	0.2730
2007	1.000	n/a	0.0121	—	0.0894	0.0009	—	0.2736

Source: San Benito County Auditor

COUNTY OF SAN BENITO

Principal Property Taxpayers
June 30, 2016 and June 30, 2015
(in millions)

Fiscal Year Ended June 30, 2016

Taxpayer	Assessed Value
Pacific Gas & Electric Co.	115.2
Granite Rock Co.	69.4
Natural Selection Foods LLC	67.5
McCormick Selph Inc. a Calif. Corp	27.6
Stone Canyon Ranch LLC	27.3
Award Homes Inc. a CA Corp	20.4
Northpointe Associates LLC	19.5
TLF-SJB LLC a Calif LTD Liab Company	18.2
Las Aguilas LLC a Cal LLC	15.3
Marich Confectionery Associates	14.1

Fiscal Year Ended June 30, 2015

Taxpayer	Assessed Value
Pacific Gas & Electric Co.	105.6
Granite Rock Co.	62.8
Natural Selection Foods LLC	59
Property Reserve Inc.	29.8
McCormick Selph Inc. a Calif. Corp	27.5
Stone Canyon Ranch LLC	26.8
Northpointe Associates LLC	19.1
TLF-SJB LLC a Calif LTD Liab Company	18.0
Award Homes Inc. a CA Corp	15.6
Las Aguilas LLC a Cal LLC	14.7

COUNTY OF SAN BENITO

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

(In thousands, except Population and Per Capita)

Fiscal Year	General Bonded Debt	Restricted for Principal Repayment	Net Bonded Debt	Net Assessed Taxable Value of Property	Percentage of Taxable Value of Property	Population	Net Bonded Debt Per Capita
2015-16	—	—	—	6,861,388	0.00%	56,648	—
2014-15	—	—	—	6,433,278	0.00%	58,344	—
2013-14	—	—	—	5,950,789	0.00%	57,997	—
2012-13	—	—	—	5,598,392	0.00%	57,146	—
2011-12	—	—	—	5,687,496	0.00%	56,643	—
2010-11	235	—	235	5,821,947	0.00%	55,948	4.20
2009-10	455	—	455	6,131,598	0.01%	58,388	7.79
2008-09	665	—	665	6,684,369	0.01%	58,016	11.46
2007-08	870	—	870	6,750,888	0.01%	57,784	15.06
2006-07	1,065	—	1,065	6,347,730	0.02%	57,803	18.42

Notes:

Debt information is derived from the San Benito County Audits. Taxable value of property is derived from the San Benito County Assessor's Annual Reports. The source for population figures for 2001-2005 is the California Bureau of Analysis. Population figures for 2006-2016 as of January 1 is estimated by the California Department of Finance.

COUNTY OF SAN BENITO

Ratio of Annual Debt Service Expenditures
To Total General Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Government Expenditures
2015-16	—	—	—	4,820,901	0.00%
2014-15	—	—	—	6,913,665	0.00%
2013-14	—	—	—	2,872,536	0.00%
2012-13	—	—	—	3,682,386	0.00%
2011-12	230,000	5,060	235,060	9,867,243	2.38%
2010-11	225,000	17,290	242,290	5,186,443	4.67%
2009-10	210,000	16,867	226,867	5,848,111	3.88%
2008-09	205,000	33,508	238,508	8,473,325	2.81%
2007-08	195,000	44,446	239,446	6,847,551	3.50%
2006-07	185,000	46,923	231,923	4,542,937	5.11%

Notes:

Total general government and debt service expenditures from the San Benito County Audits, Statement of Revenues, Expenditures and Changes in Fund Balances.

COUNTY OF SAN BENITO

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years (in thousands, except per capita)

	Fiscal Year									
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Governmental Activities:										
Capital Leases	—	—	—	—	—	—	18	77	120	36
Certificates of Participation	—	—	—	—	—	235	455	665	870	1,065
Total Governmental Activities	—	—	—	—	—	235	473	742	990	1,101
Business-type Activities:										
Landfill Closure & Post-closure	—	—	5,032	4,818	4,521	4,304	4,189	3,948	3,435	3,225
Total Business-type Activities	—	—	5,032	4,818	4,521	4,304	4,189	3,948	3,435	3,225
Total Primary Government	—	—	5,032	4,818	4,521	4,539	4,662	4,690	4,425	4,326
Percentage of Personal Income	0.00%	0.00%	0.22%	0.22%	0.22%	0.23%	0.22%	0.22%	0.22%	0.22%
Per Capita	—	—	87	84	80	81	84	81	77	75

Notes:

Personal income source figures for PPI and population figures for Per Capita in years 2001-02 through 2004-05 are from the California Bureau of Economic Analysis. For years 2006-07 through 2015-16 figures are from the California Department of Finance (see "Demographics and Economic statistics"). Financial information derived from San Benito County annual audits.

COUNTY OF SAN BENITO

Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)

(In thousands)

Fiscal Year	DEBT LIMIT		DEBT APPLICABLE TO LIMIT			Legal Debt Margin	Total Net Debt to the Debt Limit as a %
	Net Assessed Value	Debt Limit- 5% of Assessed Value	General Bonded Debt	Restricted for Principal Repayment	Total Net Debt		
2015-16	6,861,388	343,069			—	343,069	0.00%
2014-15	6,433,278	321,664			—	321,664	0.00%
2013-14	5,950,789	297,539			—	297,539	0.00%
2012-13	5,598,392	279,920	—	—	—	279,920	0.00%
2011-12	5,687,496	284,375	—	—	—	284,375	0.00%
2010-11	5,821,947	291,097	235	—	235	290,862	0.08%
2009-10	6,131,598	306,580	455	—	455	306,125	0.15%
2008-09	6,684,369	334,218	665	—	665	333,553	0.20%
2007-08	6,750,888	337,544	870	—	870	336,674	0.26%
2006-07	6,347,730	317,387	1,065	—	1,065	316,322	0.34%

Notes:

Net assessed value (of property) is derived from the San Benito County Assessor's Annual Reports. Debt information is derived from the San Benito County Annual Audits. Legal Debt Margin is the Debt Limit less Total Net Debt.

COUNTY OF SAN BENITO

Demographics and Economic Statistics
Last Ten Years

	For the Year Ending									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Population (a)	58,792	58,267	57,594	56,871	56,174	55,532	54,436	54,267	54,072	54,124
Personal Income (In thousands) (a)	2,565,863	2,417,263	2,279,346	2,138,209	2,039,927	1,918,978	1,909,403	1,971,288	2,003,581	1,948,212
Per Capita Personal Income (a)	43,643	41,486	39,576	37,598	36,314	34,556	35,076	36,326	37,054	35,995
County Unemployment Rate (b)	7.6%	9.3%	11.1%	13.1%	14.5%	15.1%	14.0%	9.7%	7.2%	7.2%

Notes:

(a) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income, Revised as of 11-19-2015

(b) Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor force data by county, annual averages.

COUNTY OF SAN BENITO

Construction and Building Activity Last Ten Years

Year	Residential Construction Valuation	Percent Change	Building Permits Issued	Percent Change
2015	55,716,190	108.06%	187	78.10%
2014	26,778,577	-18.81%	105	-26.57%
2013	32,983,998	227.54%	143	248.78%
2012	10,070,188	11.51%	41	28.13%
2011	9,030,401	-10.34%	32	-31.91%
2010	10,071,340	-11.33%	47	17.50%
2009	11,357,787	142.79%	40	110.53%
2008	4,678,036	-60.21%	19	-38.71%
2007	11,757,693	64.16%	31	3.33%
2006	7,162,149	-65.64%	30	-65.91%

Source: U.S. Census Bureau (<http://censtats.census.gov/cgi-bin/bldgprmt/bldgdisp.pl>).

COUNTY OF SAN BENITO

Full-time Equivalent County Government Employees by Department and by Function
Last Ten Fiscal Years (Unaudited)

Fund/Dept/Div	Program/ Job Class Title	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
General Government											
101.10.1000	Board of Supervisors	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
101.15.1005	Clerk of the Board of Supervisors	2	3	1.8	1.8	2.0	2.0	2.0	2.0	2.0	2.0
101.15.1010	County Administrative Officer	5	4.0	4	2.8	3.2	3.8	3.8	3.8	3.8	4.0
101.15.1065	Information Technology	5	5.0	5.0	4.0	5.0	5.0	5.0	4.0	4.0	3
101.15.1075	GIS	1	1.0	1.0	1.0	1.0	1	0.5	0.2	0.2	—
101.25.1210	County Counsel	3	4	3.8	3.7	6.0	6.0	7.0	7.0	7	5.5
101.20.1145	Auditor's Office	9	9.7	9.8	7.5	10.7	11.7	11.7	11.1	12.1	11.1
101.30.1155	Treasurer	3	3	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
101.35.1170	Assessor	17	13.0	10.0	10.0	15.0	15.0	15.0	15.0	15.0	14.0
101.30.1160	Tax Collector	3	5	3.3	2.8	3.3	4.3	4.3	4.3	4.3	4.3
101.15.1080	Internal Services	3	2	3.5	2.8	3.8	4.5	4.5	3.8	3.8	3.8
101.20.1115	Elections	2	0.9	2.8	2.8	3.3	3.3	3.1	3.8	3.5	3.5
101.70.1290	Buildings & Grounds Maintenance	2	1.8	1.8	3.4	4.5	5.7	5.7	5.2	5.2	5.2
101.20.1140	Risk Management	—	—	—	0.5	0.5	0.5	0.5	0.5	0.5	—
Total General Government		60	57.4	54.5	50.6	65.9	70.4	70.7	68.3	69.0	64
Public Protection											
101.45.1205	District Attorney	12	11.0	9.0	9.0	11	12.5	13.5	13.5	12.5	11.5
101.40.1175	Sheriff's Operations	34	27.0	23	21.5	30.3	36.5	36.5	40.5	38.5	40.5
101.15.1035	Marshal's Office	—	—	—	—	—	1.8	1.8	1.8	1.8	1.8
101.40.1180	Communications	—	1	—	—	14.8	15.5	17	19.5	19.5	19
101.40.1195	Jail	25	24	25.5	24.5	25.5	30.5	30.5	32.5	32.5	32.5
101.50.1215	Probation	22	19.0	18.0	18.0	17	19.5	19.5	22.5	22.5	22.5
101.50.1220	Juvenile Hall	12	9.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
101.50.1225	Gang Prevention Program	—	2	1.8	2.0	2.0	2.0	1	—	—	—
101.60.1250	Agricultural Commissioner & Sealer of Weights and Measures	8	6	6.6	6.6	7.0	7	7.3	8.0	8.0	7
101.20.1120	County Clerk	1	3	0.5	0.2	1.2	1.2	1.8	2.0	2.0	2
101.20.1125	County Recorder	4	1.5	3	0.4	2.9	3.9	3.9	7.1	5.5	4.3
101.15.1045	Emergency Service	2	2.0	1.0	1	1.5	1.5	2	1.5	1.5	1
101.65.1265	Planning	10	6.0	5.0	5.0	9.0	11	10.9	14.4	14.4	14.0
101.65.1270	Housing & Economic Development	—	—	1.0	1.0	1.0	1.0	1.0	1.0	1	—
101.15.1105	LAFCO	—	—	—	—	—	0.5	0.5	0.5	—	—
101.65.1275	Abandoned Vehicle Abatement	—	—	0.5	0.5	0.5	0.5	0.4	0.4	0.4	—
229.85.2530	Child Support Services	18	19.0	19.0	21.0	19.0	20.0	21.0	24.0	24.0	24.0
251.45.2980	Victim Witness Program	2	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0

COUNTY OF SAN BENITO

Full-time Equivalent County Government Employees by Department and by Function
Last Ten Fiscal Years (Unaudited)

Fund/Dept/Div	Program/ Job Class Title	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
252.40.2990	UNET Anti-Drug Task Force	—	—	—	—	1.0	1.0	1.0	1.0	1.0	1.0
101.40.1190	Sheriff's State Grants	—	2.0	1.3	1.0	—	2.0	2.0	1.0	3.0	—
261.60.3050	Mosquito Abatement	1	2.0	1.5	1.4	1.4	1.4	1.2	1.5	1.5	0.5
Total Public Protection		151	135.5	129.6	126.1	159.0	183.3	186.8	207.6	204.5	196.6
Public Ways and Facilities											
101.70.1295	PW Administration & Engineering	9	7.0	5.3	4.5	5.5	7.8	9.1	9.4	11.6	9.7
210.70.2010	Road Maintenance	15	15.0	20.4	20.1	20.1	21.3	20.0	22.8	19.3	19.3
101.15.1090	Council of Governments (COG)	7	8.0	8.0	8.0	8.0	8.0	9.5	9.5	9.5	9.0
270.70.3080	CSA Maintenance & Operations	—	—	—	1.1	1.1	1.8	1.8	3.2	3.1	3.1
Total Public Ways and Facilities		31	30.0	33.6	33.7	34.6	38.8	40.4	44.9	43.4	41.0
Health and Sanitation											
228.90.2520	Mental Health	40	39.0	43.3	42.3	42.3	42.3	42.3	36.5	36.5	36.0
230.90.2540	Substance Abuse Treatment Program	7	10.0	11.8	11.8	11.8	11.8	11.8	8.8	8.8	7.8
224.80.2370	Public Health Programs	20	25.0	19.9	18.7	20.7	24.5	27.6	36.8	37.0	37.3
301.75.3800	Integrated Waste Management & Resource Recovery	1	—	2.0	2.0	2.3	2.3	2.3	2.2	2.2	1.2
Total Health and Sanitation		68	74.0	77.0	74.7	77.0	80.8	83.9	84.2	84.5	82.2
Public Assistance											
221.80.2285	Human Services Agency	111	98.0	81.0	70.5	71.5	72.3	67.5	69.0	67.0	65.0
221.80.2330	Family Resource Center (FRC)	—	—	—	—	—	—	—	—	—	4.0
222.80.2360	In-Home Supportive Services Public Authority	3	2.0	1.0	1.0	2.0	2.0	1.5	1.5	1.5	1.5
227.15.2475	Emergency Medical Services	2	3.0	3.0	3.0	3.0	3.0	3.0	1.3	—	—
240.80.2555	C.S.W.D. Department	10	23.0	8.0	8.3	10.3	13.0	13.3	9.8	9.8	10.8
256.80.3030	Migrant Labor Housing Center	3	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
101.15.1060	First 5	—	2.0	2.0	2.0	3.0	3.0	3.0	3.0	—	—
101.80.1310	Veteran Services	1	—	—	—	—	—	—	—	—	—
Total Public Assistance		130	132.0	98.0	87.8	92.8	96.3	91.3	87.5	81.3	84.3
Education											
101.55.1235	County Library	6	6.0	5.0	5.0	7.5	8.0	8.5	9.0	9.0	9.0
101.15.1110	Ag Extension / Farm Advisor	—	—	—	—	—	0.8	1.0	1.0	1.0	1.0
Total Education		6	6.0	5.0	5.0	7.5	8.8	9.5	10.0	10.0	10.0
Recreation and Culture											
101.70.1300	Veterans Memorial Park	0.5	0.6	0.7	0.9	0.9	0.9	0.9	1.2	1.2	1.2
101.70.1305	Parks	0.5	0.6	0.7	0.7	0.7	0.9	0.9	1.2	1.2	0.6
Total Recreation and Culture		1	1.2	1.4	1.6	1.6	1.8	1.8	2.3	2.3	1.7
Total Positions		447	436.0	399.0	379.3	438.3	480.0	484.4	504.9	494.9	479.7