

COUNTY OF SAN BENITO

STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2019



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 6, 2020

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

I am pleased to present this Fiscal Year 2018-2019 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, 2019. 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, 2019. 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 61,537. 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 450 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

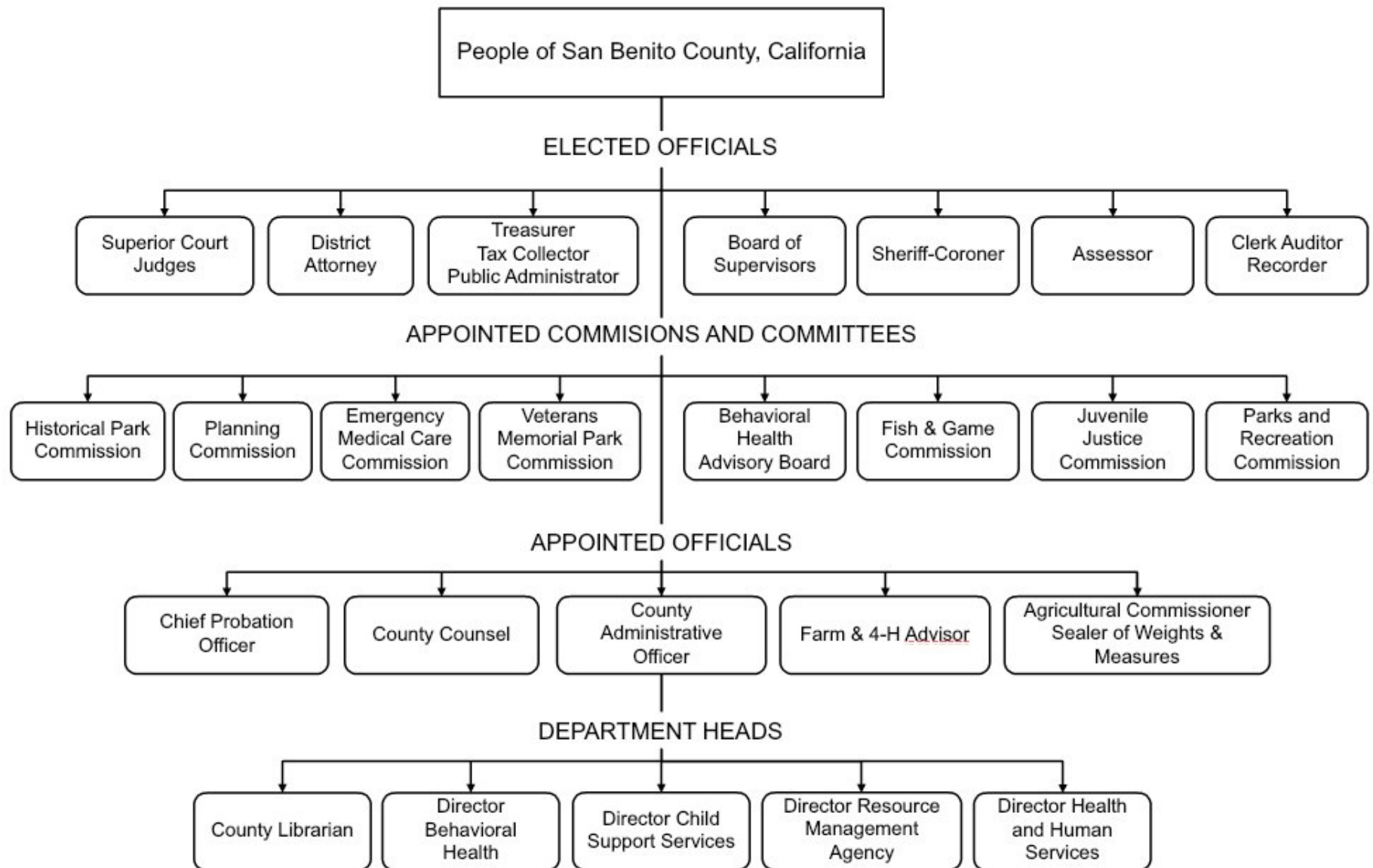
The County of San Benito's economy has continued to experience increases in housing construction. Attracting homebuyers from the northern bay area with the lower housing costs. The Net Assessed Value of taxable property, along with the total taxes levied, have increased to \$8,551,535. The unemployment rate in the County improved from 6.1% in 2017 to 5.8%% in 2018, but is higher that the State's June 2018 average of 4.2%. During the same period, the State's personal income increased 3.4%, while the County increase lagged behind with a 1.6% increase. 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:

Mark Medina, Chair	District 1
Anthony Botelho	District 2
Peter Hernandez	District 3
Jim Gilio	District 4
Jaime De La Cruz	District 5

Assessor	Tom Slavich
Clerk, Auditor, Recorder, Registrar of Voters	Joe Paul Gonzalez
District Attorney	Candice Hooper
Sheriff - Coroner	Darren Thompson
Treasurer, Tax Collector, Public Administrator	Melinda Casillas

Appointed Officials

County Administrative Officer	Ray Espinosa
Agricultural Commissioner – Sealer of Weights & Measures	Karen Overstreet
Chief Probation Officer	Joe Frontella
County Counsel	Barbara Thompson
County Health Officer	Martin Fernstershieb, MD
Director - Child Support Services	Jamie Murray
Director - County Library	Nora Conte
Director - Health & Human Services Agency, Interim	Tracey Belton
Director - Mental Health Services	Alan Yamamoto
Director - Resource Management Agency	Harry Mavrogenes
Director - U.C. Cooperative Ext. Service	Lynn Schmitt-McQuitty



INDEPENDENT AUDITORS' 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, the discretely presented component unit, 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, 2019, 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.

Honorable Members of the Board of Supervisors and Grand Jury
County of San Benito

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, 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.

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 changes in the net other post employment benefit liability and schedule of contributions, 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.

Honorable Members of the Board of Supervisors and Grand Jury
County of San Benito

Other Reporting Required by Government Auditing Standards In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.



CliftonLarsonAllen LLP

Roseville, California
March 6, 2020

COUNTY OF SAN BENITO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

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, 2019. 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

- On the June 5, 2018 election, citizens approved an increase to the transient occupancy tax in the unincorporated area of the County from 8% to 12%; this increase took effect January 1, 2019.
- On the November 6, 2018 election citizens of the County approved Measures to generate revenues for local government purposes.
 - Measure G was approved by more than 2/3 votes, establishing a 1% transaction and use tax for a period of 30 years. This tax provides a funding mechanism to commence the construction and completion of various local road and highway projects within the incorporated and unincorporated areas of the County.
 - Measure H was approved by a majority of voters, establishing a business license tax, which based on current inventory of business, is expected to generate approximately \$500 thousand per year in general purpose revenues.
- The County of San Benito was assigned a 'AA' rating by S&P Global Ratings for the San Benito County Financing Corporation, California series 2019 certificates of participation (COPs), related to the Jail Expansion Project.
- 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 \$154.4 million (net position). Of this total, \$(4) million represented unrestricted net position, which is available to meet the County's ongoing obligations to citizens and creditors. \$48.2 million represents restricted net position, which by its classification implies that there are restrictions put in place by entities outside of the County. The remaining \$110 million represents the County's net investment in capital assets.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$89 million, an increase of \$7.1 million in comparison to the ending fund balance in the previous fiscal year, largely contributed by the certificates of participation issued for the Jail Expansion Project during the year. Approximately 14%, \$12.3 million, is available for spending at the government's discretion (unassigned fund balance).
- Governmental fund revenues increased by 10.5% compared to the previous year, in large part due to increases in revenue from charges for services and aid from other governments which contributed to a 79.7% increase in total revenues. Charges for services, which includes various county impact fees, increased by 25.8% or \$2.6 million. Aid from other governments increased by \$5.4 million; \$3.5 million in the Capital Improvement Projects fund related to the County's adult

detention facility construction project.

- Capital outlay expenditures, in governmental funds, increased by 67%, primarily due to the continuing construction costs of the new adult detention facility in the County, which was financed through the issuance of certificates of participation.
- The County established a Governmental Activities Internal Service Fund for Energy Resource Management for the improvements related to the solar project, which was financed through capital lease with a private bank lender.

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) and Community Facilities Districts (CFD's) are examples of these. Financial data of the CSA's and CFD'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 19-20 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 34 individual governmental funds. For financial reporting purposes, information is presented separately for major funds: General Fund, Human Services Agency Fund, Road Fund, Mental Health Fund, Capital Improvement Projects Fund, and Tobacco 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 six funds. Information for the remaining 28 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 100.

The governmental funds financial statements can be found on pages 22-25 of this report.

Proprietary Funds. *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. The County's Internal Service fund consists of the energy resource management system, or solar project, which is expected to be completed in fiscal year 2019/2020. This project, once complete, will supply power to various County buildings and generate costs savings to offset the cost of the lease purchase agreement with Banc of America Public Capital Corp executed on August 3, 2018, as well as on-going service and maintenance costs. As these services are primarily a benefit to government rather than business-type functions, the internal service fund is included in the governmental activities of the government-wide financial statements.

The proprietary fund financial statements can be found on pages 26-28 of this report.

Fiduciary Funds. *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 29-30 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 32 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 and the County's net OPEB liability for retiree medical benefits. Required supplementary information can be found beginning on page 79 of this report.

This section also includes budgetary comparison schedules which compare the budgeted amounts for the fiscal year with the actual activity for five of 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 established.

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

Combining and Individual Fund Statements and Schedules. The financial statements of the County's non-major funds are represented here. It includes all other non-major Special Revenue Funds and Developer Projects Fund, and can be found beginning on page 100 of this report. Additional budget-to-actual comparison schedules are presented for the County's Capital Improvement Projects fund and all individual non-major special revenue funds for which annual budgets are legally adopted.

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 \$154.4 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
	2019	2018*	2019	2018*	2019	2018*	
Assets:							
Current and other assets	\$116,251	\$108,956	\$7,164	\$6,141	\$123,415	\$115,097	7.2%
Capital assets, net	118,528	98,510	691	734	119,219	99,244	20.1%
Total assets	234,778	207,466	7,855	6,875	242,634	214,341	13.2%
Deferred outflows or resources:	15,561	19,265	45	55	15,606	19,320	-19.2%
Liabilities:							
Current and other liabilities	15,642	14,794	118	177	15,760	14,971	5.3%
Long-term liabilities	84,281	71,723	903	916	85,184	72,639	17.3%
Total liabilities	99,923	86,517	1,020	1,092	100,944	87,610	15.2%
Deferred inflows of resources:	2,352	2,127	10	8	2,362	2,135	10.6%
Net Position:							
Net investment in capital assets	109,579	98,439	691	734	110,270	99,173	11.2%
Restricted	47,455	42,549	740	725	48,195	43,274	11.4%
Unrestricted	(9,460)	(2,901)	5,438	4,370	(4,022)	1,468	-373.9%
Total net position	\$147,574	\$138,087	\$6,868	\$5,828	\$154,442	\$143,915	7.3%

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 fiscal year. Total assets increased by \$28.3 million, a positive change of 13.2%, in large part due two projects in construction in progress; the Jail Expansion project and the Energy Resource Management (Solar) project. Liabilities increased by \$13.3 million, or 15.2%, due to long-term debt in the form of a Certificates of Participation (COP) and a capital lease agreement executed during the fiscal year to finance the two capital improvement projects previously mentioned. Note 7 provides additional information on the COP and lease-purchase agreement. Total net position increased by \$10.5 million as a result of current year activity, an increase of 7% over the previous year's restated net position.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$9.5 million from the prior fiscal year's net position for an ending balance of \$147.6 million. The positive change to assets was due to an \$8.5 million increase of cash in other bank accounts for long-term debt proceeds for capital improvement projects, \$20 million increase to nondepreciable capital assets currently in construction in progress and expected to be completed in fiscal year 2019/20. Liabilities for governmental activities increased due to the increase in long-term liabilities including: capital lease obligations and certificates of participation.

Business-type Activities. The business-type activities are represented by the County's landfill and total assets increased by \$1 million during the year. Overall there was minimal change over the previous fiscal year, the largest change occurring in amounts due from other governments which increased by \$200 thousand. Accounts payable and other accrued liabilities decreased by \$70 thousand over the previous fiscal year.

Changes in Net Position
For the Fiscal Year Ended June 30, 2019
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2019	2018*	2019	2018*	2019	2018*	
Revenues:							
Program revenues:							
Fees, fines and charges for services	\$ 14,242	\$ 16,596	\$ 1,610	\$ 1,249	\$ 15,852	\$ 17,845	-11%
Operating grants and contributions	50,379	49,591	49	106	50,428	49,697	1%
Capital grants and contributions	10,285	9,329	—	—	10,285	9,329	10%
General revenues:							
Property taxes	18,064	16,947	—	—	18,064	16,947	7%
Other taxes	7,257	7,237	—	—	7,257	7,237	—%
Interest and investment earnings	2,130	1,345	136	79	2,266	1,424	59%
Other revenue	202	487	—	—	202	487	-59%
Transfers in (out)	6	—	(6)	—	—	—	—%
Total revenues	<u>\$102,565</u>	<u>\$101,534</u>	<u>\$ 1,789</u>	<u>\$ 1,433</u>	<u>\$104,354</u>	<u>\$102,966</u>	<u>1%</u>
Expenses:							
General government	\$ 15,171	\$ 7,162	\$ —	\$ —	\$ 15,171	\$ 7,162	112%
Public protection	32,564	32,903	—	—	32,564	32,903	-1%
Public ways and facilities	8,167	5,927	—	—	8,167	5,927	38%
Health and sanitation	12,108	10,940	—	—	12,108	10,940	11%
Public assistance	23,480	23,463	—	—	23,480	23,463	—%
Education	1,021	1,130	—	—	1,021	1,130	-10%
Recreation and culture	193	310	—	—	193	310	-38%
Solid waste	—	—	749	1,107	749	1,107	-32%
Total expenses	<u>\$ 93,079</u>	<u>\$ 81,834</u>	<u>\$ 749</u>	<u>\$ 1,107</u>	<u>\$ 93,827</u>	<u>\$ 82,942</u>	<u>13%</u>
Change in net position	9,486	19,700	1,040	326	10,526	20,026	-47%
Net position, beginning	138,087	118,387	5,828	5,502	143,915	123,889	16%
Net position, ending	<u>\$147,573</u>	<u>\$138,087</u>	<u>\$ 6,868</u>	<u>\$ 5,828</u>	<u>\$154,441</u>	<u>\$143,915</u>	<u>7%</u>

Changes in Net Position. Governmental activities program revenue, which includes charges for services (service charges, fines and fees) and grants for operations and capital acquisitions, had a combined net change of zero over the previous fiscal year. Fees, fines and charges for services declined by \$2.4 million, and grants increased in total by approximately \$1.7 million. General revenues, which includes taxes,

investment earnings and miscellaneous revenues increased by a combined \$1.6 million, \$1 million contributed by an increase in property tax revenues. Expenditures for the fiscal year were \$93 million, an increase of \$12.1 million from last year, including \$7 million in public protection.

Business-type activities (Landfill) experienced a \$360 thousand increase to fees, fines and charges for services. Expenditures decreased by approximately \$400 thousand, resulting in a positive increase to net position of \$1 million.

IV. FINANCIAL ANALYSIS OF COUNTY FUNDS

As mentioned in the overview of the financial statements of this section, the County uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

Governmental Funds. Governmental funds include, the General Fund, Major and Nonmajor Special Revenue Funds, and Capital Project and Developer Project funds. 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 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 \$89 million, an increase of \$7.1 million from the previous year's fund balance. The increase in fund balance is mainly attributed to the net increase of \$3.6 million dollars in the Capital Improvement Projects Fund, and an increase in Impact Fund revenues, collected through construction permits, of \$2.5 million. Although the General Fund experienced a \$3 million negative net change in fund balance for the year, the negative net change was a result of one-time expenditures, rather than on-going operational costs. The Fund reported receivables of a combined \$10 million, approximately half of which were received within 60 days of fiscal year end, with the remainder reported as unavailable revenue.

The Unassigned fund balance of \$12.3 million represents the County's resources that are not classified in the other categories and are considered available for current and future needs. The Restricted funds of \$46.9 million are funds with constraints placed on their use by those external to the County, largely found in the County's Major and Nonmajor Special Revenue Funds; General Fund restricted balances include amounts collected and regulated by state statues. Committed fund balance consisted of \$3.4 million for the purpose of funding the County's pension obligations in the General Fund; and \$16.6 million of non-major special revenue funds for impact fees established by the Board of Supervisors through ordinance or resolution. The Assigned fund balance of \$9.4 million is earmarked to meet the County's current and future needs, including capital improvement projects and self-insurance claims. The Nonspendable balance of \$430 thousand represents a balance of inventories and prepaid expenditures, which cannot be spent because of their form (see the Fund Balance section of Note 1 - Summary of Significant Accounting Policies). The major activities in the County's governmental funds are highlighted in the next section.

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, 2019, unassigned fund balance totaled \$12.8 million, while the total fund balance amounted to \$27.1 million. As a measure of the general fund's liquidity, it is useful to note that the unassigned fund balance represents 32% of the fund's total expenditures.

General Fund expenditures increased by 9% (\$3.3 million) due to a \$900 thousand OPEB prefunding amount remitted to PARS shortly after fiscal year-end. Additionally, self-insurance costs increased over the previous year. The County continued to incur disaster recovery costs in the General Fund contributed by the 2017 floods, experiencing \$370 thousand more in expenditures during the year.

The General Fund experienced the highest increase in revenues in the taxes category, roughly \$1.3 million. Growth in housing development, the implementation of the business license tax, and the 4% increase in transient occupancy tax contributed to the increase in tax revenues compared to last fiscal year.

Human Services Agency. The Human Services Agency's primary revenue sources are derived from State and Federal agencies, which establish restrictions on its fund balance of \$4.6 million. Total expenditures increased by \$1.7 million or 9% higher than last year mainly due to \$700 thousand increases in salary and benefits, \$530 thousand increase in community program expenditures, and \$284 thousand increase in external consulting services. Total revenue during the year decreased by \$489 thousand or by 2%, primarily due to the \$400 thousand decrease in aid from other government. The department's total expenditures exceeded total revenue by \$971 thousand with an overall decrease in fund balances of \$1.2 million.

Road Fund. The Road fund, in which all road and infrastructure projects are recorded, showed a \$1.1 million increase over the previous fiscal year, in expenditures and in revenues. The expenditures went up due to various bridge improvement or replacement projects while the increase in revenues was due to timing of revenue receipt recognition in governmental fund from the previous fiscal year.

Mental Health Fund. The Mental Health Fund also receives its funding from State and Federal agencies, making its fund balance restricted. At June 30, 2019 fund balance totaled \$15.5 million. The Fund experienced an increase in Aid from other Government revenue of approximately \$1.6 million. Other Charges includes a one-time reversion of funds to the State of \$500 thousand and \$236 thousand for OPEB retiree medical prefunding. The Mental Health fund once again experienced a net increase to fund balance during the year, increasing by approximately \$1.9 million.

Capital Improvement Projects Fund. The Capital Improvement Project Fund experienced increases in revenues, other financing sources and expenditures. Increases are a result of the construction projects for the adult detention facility and the phase 2 emergency homeless shelter projects. Funding for the adult detention facility was achieved through State aid and the issuance of certificates of participation (see Notes 6 and 7).

Tobacco Fund. At June 30, 2019 the assigned fund balance of the Tobacco fund totaled \$816 thousand, an increase of \$67 thousand from the previous year as a result of interest earned by the fund. This fund has been earmarked for capital project costs of the County.

Other Governmental Funds. The sum of the restricted, committed, assigned and unassigned fund balances of the remaining governmental funds increased by approximately \$5.5 million. County Impact Funds saw a total combined increase to fund balance of \$2.5 million due to an increase in housing developments and improvements. Special District Funds experienced a combined increase of approximately \$625 thousand to fund balance, with the establishment of new Community Facilities Districts, and all other non-major special revenue funds experienced a combined increase of \$1.3 million to fund balance.

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

Revenues Classified by Source
(in thousands)

	FY 2019		FY 2018		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 25,057	24.0%	\$ 23,701	25.1%	\$ 1,356	5.7 %
Licenses and permits	1,914	1.8%	1,598	1.7%	316	19.8 %
Aid from other governments	61,523	58.9%	56,157	59.5%	5,366	9.6 %
Use of money or property	2,130	2.0%	1,345	1.4%	785	58.4 %
Fines, forfeits, and penalties	1,297	1.2%	1,314	1.4%	(18)	(1.3)%
Charges for services	11,802	11.3%	9,233	9.8%	2,569	27.8 %
Other revenue	683	0.7%	1,102	1.2%	(419)	(38.0)%
Total	<u>\$ 104,406</u>	<u>100%</u>	<u>\$ 94,450</u>	<u>100%</u>	<u>\$ 9,956</u>	<u>10.5 %</u>

Revenue totals reported in governmental funds increased by 10.5%. The largest increases being in taxes, aid from other governments, and charges for services.

Tax revenues account for 24% of all revenues received by governmental funds of the County. Overall tax revenues increased by \$1.4 million, over the previous fiscal year, due to the growth in new housing developments and the improving economy, as current secured taxes increased by approximately \$600 thousand. Sales tax revenues for public safety prop 172 increased by approximately \$460 thousand, and in-lieu of vehicle license fee revenue increased by approximately \$480 thousand.

Aid from other governments increased by \$5.4 million. The increase was mainly due to a \$2.7 million increase in the Capital Improvement Projects fund for the adult detention facility, an \$800 thousand storm drain line assistance from the City of Hollister, a \$1.4M increase in the Mental Health fund for federal medical, and a \$1 million increase in Road fund.

Charges for services increased by \$2.6 million due to a \$2.5 million increase in impact fee revenue over the previous fiscal year. \$273 thousand contributed to new impact fees for future County facilities and information technology purposes. Traffic impact fees increased by \$866 thousand.

Revenues from licenses and permits, use of money or property, including investment earnings, fines forfeitures and penalties, and other revenues increased by a combined \$665 thousand over the previous year.

Expenditures. The following table presents expenditures by function as well as the amounts and changes from the prior year in governmental funds.

Expenditures by Function
(in thousands)

	FY 2019		FY 2018		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 9,775	9.3%	\$ 6,085	7.0%	\$ 3,690	61 %
Public protection	32,103	30.6%	31,194	35.7%	909	2.9 %
Public ways and facilities	3,082	2.9%	2,214	2.5%	868	39.2 %
Health and sanitation	12,929	12.3%	10,783	12.3%	2,146	19.9 %
Public assistance	25,400	24.2%	23,102	26.4%	2,297	9.9 %
Education	1,126	1.1%	1,050	1.2%	76	7.2 %
Recreation and cultural services	136	0.1%	251	0.3%	(115)	(45.9)%
Capital outlay	20,449	19.5%	12,677	14.5%	7,772	61 %
Total	\$ 104,999	100%	\$ 87,357	100%	\$ 17,642	20.2 %

General government increased by \$3.7 million in various General Fund departments as a result of operating costs associated with OPEB prefunding and self-insurance costs.

Health and sanitation expenditures increased by \$2.1 million mainly due to the \$1.6 million increase in Mental Health's expenses for personnel and software maintenance, patient care and external professional services, and payment of an agency recoupment invoice. Public Health and Substance Abuse contributed a \$500 thousand increase in the expenditures due to increases in personnel costs and community services.

Public assistance expenditures increased by \$2.3 million primarily due to \$1.7 million increase in Human Services Agency Fund expenditures, which was attributed to \$700 thousand increases in salary and benefits, \$530 thousand increase in community program expenditures, and \$284 thousand increase in external consulting services. The other governmental funds contributed a \$600 thousand increase in public assistance total expenditures due to various normal operating costs, particularly CSWD's operating costs for the homeless shelter program.

With an increase of \$7.8 million over the previous fiscal year, capital outlay expenditures increased due to capital projects, including \$5.5 million for the adult detention facility and \$2.4 million River Park road project.

All other functions experienced minimal change in overall expenditures; totaling a combined \$1.5 million.

Proprietary Funds. The County has two proprietary funds, the John Smith Landfill (Landfill-Solid Waste Fund) and the Internal Service Fund, which was established for the energy resource management services of the County. The net change of revenues over expenses in the Solid Waste Fund was approximately \$1.1 million, which is an \$800 thousand increase from previous fiscal year of \$326 thousand. This was a result of a 21% jump in revenue at \$300 thousand and 36% decrease in expenditures at \$400 thousand. Of this, \$1.3 million in revenue came from charges for services to its customers. Revenues for the year stood at \$1.7 million and operating expenses was \$810 thousand.

Total assets in the proprietary funds increased by \$9.2 million due to the \$1 million increase in Solid Waste Fund as a result of increase in cash as operating revenue went up during the year while due from other governments in the fund also increased. The Internal Service Fund total assets had an ending balance of \$8.2 million, which consisted of approximately of \$7 million work in progress and \$1 million in restricted cash for the continued expenditures for the project. Solar panel installations are expected to be completed in FY 2020. This project was funded through lease financing, thus liabilities increased by \$8.5 million as capital lease obligations were recognized in fiscal year 2019.

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 Fund, Road Fund, Mental Health Fund, and Other Governmental Funds, including Capital Improvement Projects Fund and the Landfill Fund.

The **General Fund** revenues for the fiscal year were budgeted at \$44.8 million and actual revenues collected were \$38.4 million. General fund tax revenues were budgeted at \$22.4 million and actual taxes collected were \$23.6 million. Revenue from licenses, permits, and franchises was budgeted at \$1.5 million and actual revenue collections were \$1.9 million. Aid from other governments was budgeted at \$4.2 million and actual revenue received was \$5.7 million. Use of money was budgeted at \$105 thousand, and \$938 thousand was earned. Fines, forfeitures, and penalties were budgeted at \$1 million and actual revenues collected were \$1.3 million. Charges for services were budgeted at \$11.9 million and actual revenues collected came in short at \$4.6 million. Other revenue was budgeted at \$3.7 million with actual revenue of \$437 thousand.

Total budgeted expenditures for the year were \$47.5 million while actual total expenditures were \$39.7 million, a difference of \$7.8 million. Compared to the original adopted budget of \$46.4 million, which would have resulted in a \$6.7 million variance. The County Board of Supervisors elects to reduce department budgets in the General Fund, quarterly, for any unrealized costs related to position vacancies.

The **Human Services Agency** (H.S.A.) received approximately \$20.5 million in revenue for the year, \$1 thousand less than projected. Actual expenditures were \$21.4 million, \$2 million less than was budgeted, primarily due to less than anticipated salaries and benefits related expenditures. Although there were transfers-in budgeted at \$7.6 million for the year, \$12.4 thousand actual transfers-in occurred.

Road Fund revenue was budgeted at \$66.1 million while actual revenue was \$4.1 million. Transfers-in, which are largely influenced by actual projects costs in a given year, were budgeted at \$180 thousand and actual transfers-in were \$9 thousand. Expenditures were budgeted at \$66.3 million while actual expenditures were \$3.5 million. The primary reason the Road fund had large variances between budget and actual was the less than anticipated road improvement expenditures, which impacted the revenue collected from external and internal sources.

The **Mental Health Fund** budgeted revenues of \$8.8 million for the fiscal year. Actual revenue for the year was \$9.6 million. Budgeted expenditures were \$8.9 million with actual expenditures of \$7.2 million. The Mental Health fund ended the fiscal year with \$1.6 million less than budgeted total expenditures, in large part due to vacant positions in the department. Transfers-in was budgeted at \$1.2 million but actual transfers-in was \$46 thousand recorded from the General Fund. Transfers-out, for a Mental Health Facility (capital project), was budgeted at \$1.2 million while actual transfers-out were \$609 thousand.

Other Governmental Funds include twenty-seven special revenue funds and the developer projects fund that finance specific services for the benefit of County constituents. Among those are the impact fee funds, as well as various protective and health services. Funds with significant variances between budget and actual amounts included the Community Services Workforce Development Fund, County Service Areas Fund, and the Public Health Fund. The Community Services Workforce Development Fund had less than anticipated expenditures in the other charges category, while the Public Health Fund had less than anticipated expenditures in the salaries and benefits combined with the services and supplies categories. County Service Areas had less than anticipated services performed and expenditures associated to the purpose of the established county service area. Individual fund budget to actual information is included in the Supplementary Information section of the financial statements which begin on page 99.

The **Capital Improvement Projects Fund** had \$0 in budgeted revenues and \$47 million budgeted as transfers-in. Actual revenues totaled \$9 million for the year, primarily as aid from other governments for the jail construction project. Actual expenditures were \$17.5 million lower than the anticipated \$36.7 million. The largest capital project active during the fiscal year was the adult detention facility, which is expected to be completed in FY 2019/20.

Landfill-Solid Waste Fund received \$1.7 million in total operating revenues, \$88 thousand more than what had been anticipated in their adopted and final budget. Total operating expenses were \$749 thousand, \$735 thousand less than what had been budgeted. The Landfill Fund includes capital outlay in their appropriations and recording of expenses for budgetary control and capitalizes these at year end for financial reporting purposes.

VI. CAPITAL ASSETS AND LONG-TERM LIABILITIES 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 50 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 or 5 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 assets is \$172.9 million, an increase of \$2.4 million due to the River Parkway access road that was completed during the fiscal year. Infrastructure has accumulated depreciation of \$117.6 million, including the addition of \$3.3 million of depreciation expense for the year.

The net asset value, or unrecovered cost of infrastructure, is \$55.3 million.

Original cost of property improvements is \$27.6 million, an increase of \$277 thousand for projects completed during the year. Property improvements depreciation expense was \$1 million for the year, bringing total accumulated depreciation to \$15.9 million. Unrecovered cost (net asset value) at the end of the year is \$11.7 million.

A total of \$148 thousand was added in capital asset equipment, and an increase of \$1.9 million in capital improvement projects that were completed, bringing total original cost to \$19.7 million at fiscal year-end. Accumulated depreciation totaled \$16.5 million, including \$1.3 million in depreciation expense for the year.

Significant increases to capital assets in fiscal year 2019 included:

- \$971 thousand towards ERP system upgrades.
- \$1 million for IT network upgrades.
- \$40 thousand for network improvements to the HHSA building.
- \$79 thousand for vehicles for the Sheriff, Probation and Ag Commissioner.

Long-Term Liabilities. 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 \$3.1 million; a decrease of \$14 thousand over 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.

The County's liability for unpaid claims for self-insurance including workers compensation, property loss, medical malpractice, and other types of loss, increased by \$315 thousand over the previous fiscal year; more information can be found in Note 14.

The County has entered into certain capital lease arrangements under which the related equipment will become the property of the County when all terms of the agreement are met. At fiscal year end capital lease obligations totaled \$8.2 million, an net increase of \$8.1 million contributed by a capital lease executed during the fiscal year to finance the County's solar project which included the installation of energy efficiency upgrades and solar panels across various County facilities; more information can be found in Note 7.

The County's long-term debt increased by \$7.8 million during the fiscal year, due to certificates of participation (COP) issued by the San Benito County Financing Corporation. The County covenants to include all lease payments due in the operating budget for each fiscal year and to make annual appropriations; more information can be found in Note 7.

The County also recognizes long-term liabilities for pension and other post-employment benefits for health care. The County's governmental activities net pension and net OPEB liabilities decreased by a combined \$2.2 million, as the County continues to prefund for its liabilities through its investments in CERBT and PARS; more information can be found in Note 12 and Note 13.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County has begun the Strategic Planning process to aid in successfully advancing the County's vision and priorities over the next five years. The Strategic Plan will ensure maximum alignment between the County's resources and the Board of Supervisors' policy direction, countywide organizational culture, employee and stakeholder interest, and customer service expectations.

Additionally, the County is set to begin construction on a new Behavioral Health Facility during the 2019/20 fiscal year, for which the County will seek external financing to fund the project. The County has focused heavily on local road and bridges repairs and construction projects. The transitional housing project is set to complete in the near future. In fiscal year 2018/19, the County began collecting impact fees for future capital needs for county facilities and information technology. The County will be completing a Facilities Master Plan to address future facilities and infrastructure needs.

With the continued increase in housing developments the County expects total tax revenues to continue to increase; tax revenues increased by 6% in FY 18/19. Additionally, the County expects an increase in tax revenues as a result of the increase in transient occupancy tax rate, the business license tax and revenues generated through the local regulations of the cannabis business permitting, zoning and land use.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 of San Benito
Assets				
Cash and investments:				
Held in County treasury	\$ 76,474,020	\$ 5,782,327	\$ 82,256,347	\$ —
Other bank accounts	22,998,902	739,857	23,738,759	768,894
Imprest cash	5,293	—	5,293	—
Receivables	7,366,757	396,223	7,762,980	220,589
Due from other governments	7,356,493	244,924	7,601,417	—
Loan receivable	1,618,969	—	1,618,969	—
Prepaid Expenses		1,000		
Inventories and other assets	430,485	—	430,485	18,177
Capital assets, nondepreciable	48,273,824	383,527	48,657,351	65,658
Capital assets, depreciable, net	70,253,726	307,194	70,560,920	22,807
Total Assets	234,778,469	7,855,052	242,632,521	1,096,125
Deferred Outflows of Resources				
PERS contributions	6,890,846	14,518	6,905,364	37,935
Deferred pension adjustments	5,772,443	8,929	5,781,372	23,331
OPEB contributions	2,898,134	21,116	2,919,250	18,044
Total Deferred Outflows of Resources	15,561,423	44,563	15,605,986	79,310
Liabilities				
Accounts payable and accrued liabilities	8,367,484	117,962	8,485,446	40,869
Due to other agencies	342,323	—	342,323	—
Deposits from others	5,881,730	—	5,881,730	—
Unearned revenues	296,550	—	296,550	—
Long- Term Liabilities:				
Portion due or payable within one year:				
Capital lease obligations	45,620	—	45,620	—
Compensated absences	312,589	—	312,589	5,886
Liability for unpaid claims	395,450	—	395,450	—
Interest on outstanding debt	373,817	—	373,817	—
Loan payable	8,119	—	8,119	—
Certificate of participation	110,000	—	110,000	—
Portion due or payable after one year:				
Closure/post-closure liability	—	714,000	714,000	—
Capital lease obligations	8,176,717	—	8,176,717	32,853
Compensated absences	2,813,298	1,503	2,814,801	11,773
Liability for unpaid claims	3,559,050	—	3,559,050	—
Loan payable	42,165	—	42,165	—
Certificate of participation	7,649,887	—	7,649,887	—
Net pension liability	56,962,702	150,833	57,113,535	356,967
Net OPEB liability	5,076,936	36,990	5,113,926	43,025
Total Liabilities	100,414,437	1,021,288	101,435,725	491,373
Deferred Inflows of Resources				
Deferred pension adjustments	1,457,013	3,519	1,460,532	9,147
Deferred OPEB adjustments	894,567	6,516	901,083	3,184
Total Deferred Inflows of Resources	2,351,580	10,035	2,361,615	12,331
Net Position				
Net investment in capital assets	109,578,889	690,721	110,269,610	88,465
Restricted	47,455,029	739,857	48,194,886	—
Unrestricted	(9,460,037)	5,437,714	(4,022,323)	583,266
Total Net Position	\$ 147,573,881	\$ 6,868,292	\$ 154,442,173	\$ 671,731

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

COUNTY OF SAN BENITO

Statement of Activities
For the Year Ended June 30, 2019

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit First 5 of San Benito
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 15,171,369	\$ 3,544,313	\$ 3,136,961	\$ 64,835	\$ (8,425,260)	\$ —	\$ (8,425,260)	\$ —
Public protection	32,564,040	4,630,309	7,392,308	5,712,552	(14,828,871)	—	(14,828,871)	—
Public ways and facilities	8,166,811	3,616,509	2,057,488	3,305,300	812,486	—	812,486	—
Health and sanitation	12,108,200	1,367,280	12,928,595	—	2,187,675	—	2,187,675	—
Public assistance	23,480,217	325,077	24,798,414	—	1,643,274	—	1,643,274	—
Education	1,020,962	160,672	65,164	—	(795,126)	—	(795,126)	—
Recreation and culture	193,340	597,895	—	1,202,030	1,606,585	—	1,606,585	—
Debt Service:								
Interest	373,817	—	—	—	(373,817)	—	(373,817)	—
Total Governmental Activities	<u>93,078,756</u>	<u>14,242,055</u>	<u>50,378,930</u>	<u>10,284,717</u>	<u>(18,173,054)</u>	<u>—</u>	<u>(18,173,054)</u>	<u>—</u>
Business-type Activities:								
Solid Waste	749,309	1,609,564	49,430	—	—	909,685	909,685	—
Total Primary Government	<u>93,828,065</u>	<u>15,851,619</u>	<u>50,428,360</u>	<u>10,284,717</u>	<u>(18,173,054)</u>	<u>909,685</u>	<u>(17,263,369)</u>	<u>—</u>
Component Unit:								
First Five of San Benito	<u>963,558</u>	<u>32,136</u>	<u>852,628</u>	<u>—</u>				<u>(78,794)</u>
General Revenues:								
Taxes:								
Property taxes					18,063,692	—	18,063,692	—
Sales and use taxes					5,683,346	—	5,683,346	—
Franchise taxes					696,166	—	696,166	—
Other taxes					877,702	—	877,702	—
Interest and investment earnings					2,130,445	136,410	2,266,855	—
Miscellaneous					202,391	—	202,391	697
Transfers					6,110	(6,110)	—	—
Total General Revenues					<u>27,659,852</u>	<u>130,300</u>	<u>27,790,152</u>	<u>697</u>
Change in Net Position					9,486,798	1,039,985	10,526,783	(78,097)
Net position - June 30, 2018, as restated					138,087,083	5,828,307	143,915,390	749,828
Net position - June 30, 2019					<u>\$ 147,573,881</u>	<u>\$ 6,868,292</u>	<u>\$ 154,442,173</u>	<u>\$ 671,731</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, 2019

	General	Human Services Agency	Road	Mental Health	Capital Improvement Projects	Tobacco Securitization	Other Governmental Funds	Total
Assets								
Cash and investments:								
Held in County treasury	\$ 17,240,147	\$ 4,756,403	\$ 4,957,599	\$ 15,904,297	\$ —	\$ —	\$ 33,486,087	\$ 76,344,533
Other bank accounts	9,138,479	—	—	—	7,547,028	4,970,251	244,988	21,900,746
Imprest cash	1,593	200	—	3,450	—	—	50	5,293
Accounts Receivable	5,528,009	48,918	93,499	586,818	69,803	—	1,039,710	7,366,757
Loan receivable	—	—	—	—	—	—	1,618,969	1,618,969
Due from other funds	5,032,008	—	—	—	—	—	—	5,032,008
Due from other governments	1,276,944	1,094,253	1,503,590	312,527	394,074	—	2,775,105	7,356,493
Advances to other funds	4,154,713	—	—	—	—	—	—	4,154,713
Inventories and other assets	266,256	90,257	28,512	—	—	—	45,460	430,485
Total Assets	42,638,149	5,990,031	6,583,200	16,807,092	8,010,905	4,970,251	39,210,369	124,209,997
Liabilities								
Accounts payable and accrued liabilities	3,785,853	781,898	686,730	1,223,996	1,218,136	—	670,133	8,366,746
Due to other funds	—	—	—	—	4,166,041	—	865,967	5,032,008
Due to other governments	199,714	79,558	—	—	48,997	—	14,054	342,323
Advances from other funds	—	—	—	—	—	4,154,713	—	4,154,713
Deposits from others	5,868,284	—	—	—	—	—	13,446	5,881,730
Unearned revenues	172,715	123,835	—	—	—	—	—	296,550
Liability for unpaid claims	395,450	—	—	—	—	—	—	395,450
Total Liabilities	10,422,016	985,291	686,730	1,223,996	5,433,174	4,154,713	1,563,600	24,469,520
Deferred Inflows of Resources								
Unavailable revenues	5,143,763	346,273	2,139,543	62,969	932,197	—	2,138,997	10,763,742
Fund Balances								
Nonspendable	266,256	90,257	28,512	—	—	—	45,460	430,485
Restricted	3,666,652	4,568,210	3,728,415	15,520,127	—	—	19,382,017	46,865,421
Committed	3,449,921	—	—	—	—	—	16,600,558	20,050,479
Assigned	6,896,074	—	—	—	1,645,534	815,538	21,042	9,378,188
Unassigned	12,793,467	—	—	—	—	—	(541,305)	12,252,162
Total Fund Balances	\$ 27,072,370	\$ 4,658,467	\$ 3,756,927	\$ 15,520,127	\$ 1,645,534	\$ 815,538	\$ 35,507,772	\$ 88,976,735
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 42,638,149	\$ 5,990,031	\$ 6,583,200	\$ 16,807,092	\$ 8,010,905	\$ 4,970,251	\$ 39,210,369	\$ 124,209,997

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, 2019

Fund Balance - Total governmental funds		\$ 88,976,735
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.		111,529,092
Other assets are not available to pay for current period expenditures and therefore, are deferred in the governmental funds.		10,763,742
Deferred outflows of resources related to pension and other post-employment benefits are applicable to future periods, and therefore, are not reported in the governmental funds.		15,561,423
Deferred inflows of resources related to pension and other post-employment benefits are applicable to future periods, and therefore, are not reported in the governmental funds.		(2,351,580)
Internal Service Fund assets and liabilities not current financial resources and therefore, are not reported in the governmental funds.		(281,680)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Capital leases	(47,337)	
Interest on outstanding debt	(92,052)	
Certificate of participation	(7,759,887)	
Net OPEB liability	(5,076,936)	
Liability for unpaid claims	(3,559,050)	
Compensated absences	(3,125,887)	
Net pension liability	<u>(56,962,702)</u>	(76,623,851)
Net position of governmental activities		<u>\$ 147,573,881</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, 2019**

	General	Human Services Agency	Road	Mental Health	Capital Improvement Projects	Tobacco Securitization	Other Governmental Funds	Total
Revenues								
Taxes	\$ 23,602,229	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,454,759	\$ 25,056,988
Licenses, permits and franchises	1,912,268	—	—	—	—	—	1,700	1,913,968
Aid from other governments	5,716,919	20,271,764	4,046,624	9,183,655	9,102,458	—	13,201,232	61,522,652
Use of money or property	937,665	112,784	96,352	331,916	(99,663)	67,367	683,940	2,130,361
Fines, forfeits and penalties	1,253,979	—	—	—	—	—	42,537	1,296,516
Charges for services	4,581,087	7,384	—	126,663	—	—	7,086,448	11,801,582
Other revenue	436,975	70,478	—	6,495	64,835	—	104,677	683,460
Total Revenues	38,441,122	20,462,410	4,142,976	9,648,729	9,067,630	67,367	22,575,293	104,405,527
Expenditures								
Current								
General government	9,774,811	—	—	—	—	—	—	9,774,811
Public protection	27,949,554	—	—	—	164,310	—	3,989,005	32,102,869
Public ways and facilities	—	—	2,219,631	—	109,680	—	752,258	3,081,569
Health and sanitation	—	—	—	7,228,012	—	—	5,700,628	12,928,640
Public assistance	630,637	21,392,054	—	—	—	—	3,377,047	25,399,738
Education	1,126,439	—	—	—	—	—	—	1,126,439
Recreation and culture	135,949	—	—	—	—	—	—	135,949
Capital outlay								
General government	27,504	—	—	—	84,313	—	—	111,817
Public protection	94,404	—	—	—	14,056,054	—	—	14,150,458
Public ways and facilities	—	—	1,290,768	—	3,095,175	—	—	4,385,943
Health and sanitation	—	—	—	—	346,911	—	—	346,911
Public assistance	—	41,259	—	—	1,407,760	—	—	1,449,019
Education	5,283	—	—	—	—	—	—	5,283
Total Expenditures	39,744,581	21,433,313	3,510,399	7,228,012	19,264,203	—	13,818,938	104,999,446
Excess (deficiency) of revenues over expenditures	(1,303,459)	(970,903)	632,577	2,420,717	(10,196,573)	67,367	8,756,355	(593,919)
Other Financing Sources/ (Uses)								
Issuance of LT Debt-Principal	—	—	—	—	7,480,000	—	—	7,480,000
Issuance of LT Debt-Premium	—	—	—	—	279,887	—	—	279,887
Transfers in	1,621,176	12,383	9,120	45,772	6,328,306	—	1,461,902	9,478,659
Transfers out	(3,704,356)	(256,487)	—	(609,294)	(263,749)	—	(4,742,707)	(9,576,593)
Capital Leases	11,349	—	—	—	—	—	—	11,349
Total other financing sources/(uses)	(2,071,831)	(244,104)	9,120	(563,522)	13,824,444	—	(3,280,805)	7,673,302
Net change in fund balances	(3,375,290)	(1,215,007)	641,697	1,857,195	3,627,871	67,367	5,475,550	7,079,383
Fund balances - beginning of year	30,447,660	5,873,474	3,115,230	13,662,932	(1,982,337)	748,171	30,032,222	81,897,352
Fund balances - end of year	\$ 27,072,370	\$ 4,658,467	\$ 3,756,927	\$ 15,520,127	\$ 1,645,534	\$ 815,538	\$ 35,507,772	\$ 88,976,735

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
For the Year Ended June 30, 2019

Net change in fund balances- total governmental funds 7,079,383

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 capital assets, including retirements, transfers and adjustments	18,631,744	
Less current year depreciation	<u>(5,612,522)</u>	13,019,222

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. (1,846,163)

Revenues not included in the statement of activities related to long-term debt
proceeds that are reported as revenues in the funds. (7,771,236)

Internal service funds are used by management to charge out the costs of energy
resource services to individual funds. The revenues and expenditures for internal
service funds are reported within governmental activities. (281,680)

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.

Current year capital lease principal payments	34,742	
Change in compensated absences	14,456	
Change in liability for unpaid claims	134,114	
Current year long-term debt interest expense	(92,052)	
Current year OPEB cost difference	1,989,719	
Current year pension cost difference	<u>(2,793,707)</u>	(712,728)

Change in net position of governmental activities \$ 9,486,798

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

COUNTY OF SAN BENITO

Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-type Activities Solid Waste Fund</u>	<u>Governmental Activities Internal Service Fund</u>
Assets		
Current Assets:		
Cash and investments	\$ 5,782,327	\$ 129,487
Accounts receivable	396,223	—
Due from other governments	244,924	—
Prepaid expense	1,000	—
Total Current Assets	<u>6,424,474</u>	<u>129,487</u>
Noncurrent Assets:		
Restricted Assets		
Cash and investments	739,857	1,098,156
Capital Assets (nondepreciable)		
Land	313,079	—
Construction in process	70,448	6,998,464
Capital Assets (depreciable)		
Structures and improvements	806,262	—
Equipment	74,145	—
Less: accumulated depreciation	(573,213)	—
Total Noncurrent Assets	<u>1,430,578</u>	<u>8,096,620</u>
Total Assets	<u>7,855,052</u>	<u>8,226,107</u>
Deferred Outflows of Resources		
PERS contributions	14,518	—
Deferred pension adjustments	8,929	—
OPEB contributions	21,116	—
Total Deferred Outflows of Resources	<u>44,563</u>	<u>—</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	117,962	738
Interest payable	—	281,765
Capital leases	—	18,292
Other loans	—	8,119
Long-Term Liabilities:		
Closure/post-closure liability	714,000	—
Compensated absences	1,503	—
Capital leases	—	8,156,708
Loans payable	—	42,165
Net pension liability	150,833	—
Net OPEB liability	36,990	—
Total Liabilities	<u>1,021,288</u>	<u>8,507,787</u>
Deferred Inflows of Resources		
Deferred pension adjustments	3,519	—
Deferred OPEB adjustments	6,516	—
Total Deferred Inflows of Resources	<u>10,035</u>	<u>—</u>
Net Position		
Net investment in capital assets	690,721	—
Restricted	739,857	—
Unrestricted	5,437,714	(281,680)
Total Net Position of Proprietary Funds	<u>6,868,292</u>	<u>(281,680)</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, 2019

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Licenses, permits and franchises	\$ 174,174	\$ —
Aid from other governmental units	49,430	—
Charges for services	1,340,499	—
Other revenue	94,891	—
Total Operating Revenues	<u>1,658,994</u>	<u>—</u>
Operating Expenses:		
Salaries, wages and employee benefits	73,015	—
Services and supplies	609,724	104,044
Depreciation	43,212	—
Indirect Costs	23,358	—
Total Operating Expense	<u>749,309</u>	<u>104,044</u>
Operating income (loss)	<u>909,685</u>	<u>(104,044)</u>
Non-Operating Revenues (Expenses)		
Interest income	136,410	85
Interest expense	—	(281,765)
Total Non-Operating Revenues (Expenses)	<u>136,410</u>	<u>(281,680)</u>
Income Before Transfers	1,046,095	(385,724)
Transfers In (Out)	(6,110)	104,044
Change in Net Position	<u>1,039,985</u>	<u>(281,680)</u>
Net position - beginning of year	5,828,307	—
Net position - end of year	<u>\$ 6,868,292</u>	<u>\$ (281,680)</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, 2019

	Business-type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	\$ 1,530,416	\$ —
Payments to suppliers for goods and services	(694,113)	(104,044)
Payments to employees for salaries and benefits	(74,186)	—
Net cash provided by operating activities	<u>762,117</u>	<u>(104,044)</u>
Cash Flows from Non-Capital Financing Activities		
Transfers in (out)	<u>(6,110)</u>	<u>104,044</u>
Cash Flows from Capital and Related Financing Activities		
Financing solar project	—	8,226,022
Construction in progress solar project	—	(6,998,464)
	<u>—</u>	<u>1,227,558</u>
Cash Flows from Investing Activities		
Interest received	<u>136,410</u>	<u>85</u>
Net Increase (Decrease) in Cash and Cash Equivalents	892,417	1,227,643
Cash and cash equivalents, July 1	5,629,769	—
Cash and cash equivalents, June 30	<u>\$ 6,522,184</u>	<u>\$ 1,227,643</u>
Reconciliation of cash and investments to the Statement of Net Position		
Current assets - cash and investments	\$ 5,782,327	\$ 129,487
Restricted assets - cash and investments	739,857	1,098,156
	<u>\$ 6,522,184</u>	<u>\$ 1,227,643</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 909,685	\$ (104,044)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Effects of changes in operating assets:		
Receivables	91,953	—
Increase in Prepaid expenses	(1,000)	—
Increase in Due From Other Agencies	(244,924)	—
Decrease in PERS contributions	53,414	—
Increase in deferred pension adjustment	(8,929)	—
Increase in OPEB contributions	(21,116)	—
Decrease in Due from Other Agencies	24,393	—
Increase in accumulated depreciation	43,212	—
Effects of changes in operating liabilities:		
Payables	(60,031)	—
Compensated absences	444	—
Net Pension liability	(4,373)	—
Net OPEB liability	(9,121)	—
Deferred inflows - pension adjustments	(13,882)	—
Deferred inflows - OPEB adjustments	2,392	—
Total adjustments	<u>(147,568)</u>	<u>—</u>
Net cash provided/(used) by operating activities	<u>\$ 762,117</u>	<u>\$ (104,044)</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, 2019

	Investment Trust	Agency Funds	Total
Assets			
Current Assets:			
Cash and investments	\$ 135,715,356	\$ 5,124,357	\$ 140,839,713
Taxes receivable	—	5,922,525	5,922,525
Total Assets	135,715,356	11,046,882	146,762,238
Liabilities			
Liabilities:			
Agency obligations	—	11,046,882	11,046,882
Total Liabilities	—	11,046,882	11,046,882
Net Position			
Held in trust for pool participants	135,715,356		135,715,356
Total Net Position	\$ 135,715,356		\$ 135,715,356

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, 2019

	Investment Trust
Additions:	
Contributions to pooled investments	\$ 611,887,508
Investment Income (net of administrative expense)	2,768,853
Total additions	<u>614,656,361</u>
Deductions:	
Distributions from pooled investments	<u>579,710,813</u>
Total deductions	<u>579,710,813</u>
Change in net position	34,945,548
Net position - beginning of year	<u>100,769,808</u>
Net position - end of year	<u><u>\$ 135,715,356</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, 2019

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COUNTY OF SAN BENITO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 #33 Fallon/Fairview
CSA #5 Hillcrest/ El Toro	CSA #34 Ausaymas Estates
CSA #8 Bonnie View	CSA #35 Union Heights
CSA #9 Ridgemark	CSA #36 Advanced Life Support
CSA #11 Barnes Lane	CSA #42 Lemmon Acres
CSA #16 Holiday Estates	CSA #45 Rancho Larios
CSA #19 Springwood	CSA #46 Quail Hollow
CSA #21 Long Acres	CSA #47 Oak Creek
CSA #22 Cielo Vista	CSA #48 Dry Creek Estates
CSA #23 Rancho San Joaquin	CSA #49 Hollister Ranch Estates
CSA #24 Santa Ana Acres	CSA #50 Dunnville
CSA #25 Vineyard Estates	CSA #51 Creekbridge
CSA #28 Heatherwood	CSA #52 Monte Bello
CSA #29 Brown/ Magladry	CSA #53 Riverview Estates
CSA #30 McCloskey Acres	CSA #54 Pacheco Creek Estates
CSA #31 Stonegate	CSA #55 Creekside

Community Facilities Districts (CFD)

CFDs are special districts established by the Board of Supervisors for the purpose of providing specific services to County residents. Although the CFDs 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 CFDs. The books and records of these Districts are maintained by the County, and their activities are reported within non-major governmental funds.

CFD - Santana Ranch

CFD - Brigantino-Sunnyside Estates (zone 1)

CFD - Fay-Bennet Ranch (zone 2)

CFD - Bluffs (zone 3)

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, four of whom are officers of the County, while the remaining five 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 non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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 *Capital Improvement Project fund* is used for all County capital projects, excluding infrastructure projects. The fund is administered by the Resource Management Agency of the County. Revenue sources are primarily from local and state funding, depending on the project.

- The *Tobacco Securitization fund* is used for capital projects in the county. The proceeds are from Series 2002B bonds of the Pooled Tobacco Securitization Program.

The County reports the following enterprise fund:

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

The County reports the following internal service fund:

- The *Energy Resource Management Fund* is used to account for on-going operations of the solar and energy improvements made to various county facilities.

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. Non-exchange 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 with fiscal agents that are held in the Tobacco Securitization Fund, the General Fund with Trindel Insurance, River City Bank, and the Public Agencies Post-Employment Benefits Trust (PARS), and the Migrant Labor Camp Fund, listed under Other Governmental Funds. Trindel Insurance is the County’s claims-servicing joint powers agency for self insurance. These amounts are managed for the purposes specified in the agreements with these agents. At June 30, 2019, the County reported approximately \$5 million in the Tobacco Securitization Fund, \$9.1 million in the General Fund with Trindel Insurance, River City Bank, and Public Agency Retirement Services (PARS) making up ninety-four percent of the General Fund total, and \$245 thousand in the Migrant Labor Camp Fund.

The County also had cash with Bank of America, set aside for the Energy Conservation Measures Project reported in the County Internal Service Fund, and at Wells Fargo for the County adult detention facility project reported in the County's Capital Improvement Projects Fund. Both of these projects are discussed in more detail in Note 7. The amounts held at Bank of America are classified as “other bank accounts” on the accompanying financial statements. The amounts held at Wells Fargo are reported as restricted, non-current assets in the Proprietary Fund's Statement of Net Position.

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 considers all of its receivables to be collectible and therefore does not report an allowance for doubtful accounts. The County considers all receivables to be collectible until they prove 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 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	5 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 reports 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 reports 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.

Vacation and comp time is accrued when incurred in the government-wide and proprietary fund statements. In the governmental funds financial statements, a liability for these amounts is reported only as a result of employee resignations or retirements that occur prior to year-end, and payment of the liability is made subsequent to year-end.

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)

*Delinquent taxes are subject to late penalties and interest. Secured property taxes remaining delinquent for more than five years may be subject to tax sale.

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 object level of each department of the General fund and at the fund level for special revenue funds of the County. Department and/or fund 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 position. 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. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County of San Benito Retiree Healthcare Plan (Plan) and additions to/deductions from the California Employer's Retirement Benefit Trust's (CERBT) fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

S. Effects of New Pronouncements

In FY18/19, the County implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements and GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. For a list of pronouncements that the County will be implementing in the coming years please see Note 17.

GASB Statement No. 88 requires additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements. As of June 30, 2019, the County had one such direct borrowing; additional

information can be found in Note 7.

GASB Statement No. 89 establishes that for financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred; such interest should not be capitalized as part of the historical cost of a capital asset. In financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of the construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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 nor 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 institution was \$2,887,002. 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 \$2,637,002 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.

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, 2019, 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	9,984,900	A1	P1	4.34%
Commercial Paper	9,979,800	A1	P1	4.33%
Certificate of Deposit	8,500,255	A	A1	3.69%
Certificate of Deposit	4,001,720	A	NR	1.74%
Certificate of Deposit	5,003,900	AA+	P1	2.17%
Certificate of Deposit	7,338,503	A	A	3.19%
Certificate of Deposit	10,986,098	NR	Aa2	4.77%
Certificate of Deposit	13,014,651	A	A1	5.65%
Certificate of Deposit	10,013,700	A1	P1	4.35%
Certificate of Deposit	14,005,040	A+	Aa2	6.08%
Corporate Bonds	9,981,300	AA-	A1	4.33%
Non-US Corporate Bonds	5,999,160	A+	Aa3	2.61%
Non-US Corporate Bonds	9,320,145	AA-	Aa3	4.05%
Non-US Corporate Bonds	5,017,450	A	A2	2.18%
Non-US Corporate Bonds	10,022,100	AA-	Aa2	4.35%
Non-US Corporate Bonds	6,260,592	A+	Aa2	2.72%
Non-US Corporate Bonds	5,061,900	Aa3	AA-	2.20%
Non-US Corporate Bonds	10,120,500	AA-	Aa3	4.39%
Money Market Funds	2,480	NR	NR	—%
CAMP	73,215,822	NR	NR	31.79%
LAIF	2,455,000	NR	NR	1.07%
Total	<u>\$ 230,285,016</u>			<u>100%</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, 2019, 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:			
Credit Agricole CIB NY YCD	Certificate of Deposit	13,014,651	5.65%
Bank of Nova Scotia Var. Negotiable CD	Certificate of Deposit	14,005,040	6.08%
CAMP	Government Sponsored	73,215,822	31.79%

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, 2019 the County had the following investment maturities:

2019	62,771,180
2020	76,658,134
2021	15,182,400
2022	—
Total	<u><u>\$154,611,714</u></u>

The amount in the Local Agency Investment Fund (LAIF), managed by the State Treasurer for the State of California, is \$2.455 million at June 30, 2019. 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). Funds are accessible and transferable to the County's bank accounts on demand.

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, 2019:

Investment earnings	\$	5,252,154
Less: administrative expenses		514,365
Net investment income		<u>4,737,789</u>

The following is a summary of investments held by the County as of June 30, 2019:

Investment	Fair Value	Current Yield Range	Maturity Range	Weighted Average Maturity
Treasurer's pooled investments				
CAMP	\$ 73,215,822	2.48%	On Demand	On Demand
LAIF	2,455,000	2.43%	On Demand	On Demand
Money Market Funds	2,480	2.27%	On Demand	On Demand
Certificate of Deposits - Negotiable	72,863,867	0.00 - 3.12%	07/18-05/19	294 days
Commercial Paper - Discount	19,964,700	2.58%	07/18-09/18	28 days
Corporate Bonds	9,981,300	1.56%	09/18-05/19	331 days
Non US Corporate Bonds	51,801,847	1.15 - 3.94%	09/18-07/21	331 days
Total pooled investments	<u>230,285,016</u>			
Investments held with fiscal agents:	23,738,759			
Cash in banks:				
Non-interest bearing deposits	(6,420,062)			
Imprest cash:	5,293			
Total cash and investments	<u>247,609,006</u>			
Total unrestricted cash and investments	199,414,120			
Total restricted cash and investments	48,194,886			
Total cash and investments	<u>247,609,006</u>			
Total cash and investments summary:				
Total governmental activities	99,478,215			
Total business-type activities	6,522,184			
Total fiduciary funds	140,839,713			
Total component unit	768,894			
Total cash and investments	<u>247,609,006</u>			

The following is a reconciliation between cash and investments and the Net Position of the Treasurer's investment pool as of June 30, 2019:

Total cash and investments	247,609,006
Less: investments held with fiscal agents	(23,738,759)
Less: imprest cash	(5,293)
Less: investment interest deposit	(21,278)
Less: deposits in transit	(1,671,872)
Add: outstanding checks/deposits	11,769,184
	<u>233,940,988</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, 2019:

Statement of Net Position

Net position held in trust	\$ 233,940,988
Equity of internal pool	\$ 98,225,632
Equity of external pool participants	135,715,356
Total equity	\$ 233,940,988

Statement of Changes in Net Position

Net position held for pool participants, July 1, 2018	\$ 185,695,377
Net change in investments by pool	48,245,611
Net position held for pool participants, June 30, 2019	\$ 233,940,988

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 uses fair value measurements determined by the financial institution holding the investment. The following table presents fair value of investments held within the Pool as of June 30, 2019:

Investments by fair value level	Fair Value Measurements Using		
	Quoted Prices 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	\$ 72,863,867	\$ —	\$ 72,863,867
Commercial Paper - Discount	19,964,700	—	19,964,700
Corporate Bonds	9,981,300	—	9,981,300
Non US Corporate Bonds	51,801,847	—	51,801,847
Total investments measured at fair value	<u>154,611,714</u>	<u>\$ —</u>	<u>\$ 154,611,714</u>
Investments measured at amortized cost:			
CAMP	\$ 73,215,822		
LAIF	2,455,000		
Money Market Funds	2,480		
Total pooled and directed investments	<u>\$ 230,285,016</u>		

Restricted Cash and Investments

Cash and Investments at June 30, 2019 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities	
General Fund	3,666,652
Human Services Agency	4,568,210
Road Fund	3,728,415
Mental Health Fund	15,520,127
Other Governmental Funds	19,382,017
Total governmental activities	<u>46,865,421</u>
Business-type Activities	
Integrated Waste Management Fund	
Financial assurance for landfill corrective action	739,857
Total business-type activities	<u>739,857</u>
Total restricted cash and investments	<u>47,605,278</u>

Additional detail can be found in Note 16: Fund Balances

NOTE 3. INTERFUND TRANSACTIONS

Interfund Receivables/Payable

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Due to/from other funds:			
General Fund	Capital Improvement Projects fund	4,166,041	Interfund borrowing
General Fund	Non-major governmental fund	258,190	Interfund borrowing
General Fund	Non-major governmental fund	607,777	Interfund borrowing
		\$ 5,032,008	
Advances to/from funds:			
General Fund	Tobacco Securitization fund	4,154,713	Capital improvement projects
		\$ 4,154,713	
	Total interfund balances	\$ 9,186,721	

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:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Mental Health Fund	45,772	Funding for operations
General Fund	Non-major governmental fund	757,994	Funding for operations
General Fund	Capital Improvement Projects fund	2,793,536	Funding for capital outlay
General Fund	Road Fund	3,010	Funding for capital outlay
General Fund	Internal Service fund	104,044	Funding for capital outlay
Human Services Agency	Capital Improvement Projects fund	25,434	Funding for capital outlay
Human Services Agency	Non-major governmental fund	231,053	Funding for operations
Mental Health Fund	Human Services Agency	12,383	Funding for operations
Mental Health Fund	Non-major governmental fund	250,000	Funding for operations
Mental Health Fund	Capital Improvement Projects fund	346,911	Funding for capital outlay
Capital Improvement Projects fund	General Fund	263,749	Funding for operations
Non-major governmental fund	General Fund	1,357,427	Funding for operations
Non-major governmental fund	Non-major governmental fund	222,855	Funding for operations
Non-major governmental fund	Capital Improvement Projects fund	3,162,425	Funding for capital outlay
Solid Waste Fund (Proprietary)	Road Fund	6,110	Funding for capital outlay
		\$ 9,582,703	

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 \$1,618,969 was recorded as housing loans receivable under other governmental funds at June 30, 2019. These loan receivables represent low or zero interest mortgage notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, as well as home-buyer 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, 2019, 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	Capital Improvement Projects	Other Governmental	Total Governmental Funds
Accounts receivable	\$ 5,528,009	\$ 48,918	\$ 93,499	\$ 586,818	\$ 69,803	\$ 1,039,710	\$ 7,366,757
Loans receivable	—	—	—	—	—	1,618,969	1,618,969
Due from other governments	1,276,944	1,094,253	1,503,590	312,527	394,074	2,775,105	7,356,493
Totals	\$ 6,804,953	\$ 1,143,171	\$ 1,597,089	\$ 899,345	\$ 463,877	\$ 5,433,784	\$ 16,342,219

Proprietary Fund:

	Solid Waste
Accounts receivable	\$ 396,223
Due from other governments	\$ 244,924
Totals	\$ 641,147

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2019
Governmental Activities					
Capital assets, not being depreciated:					
Land	1,513,658	—	—	—	1,513,658
Construction in progress	25,938,416	26,784,693	(859,207)	(5,103,736)	46,760,166
Total capital assets, not being depreciated	27,452,074	26,784,693	(859,207)	(5,103,736)	48,273,824
Capital assets, being depreciated:					
Infrastructure	170,495,871	—	—	2,405,742	172,901,613
Buildings & Improvements	27,288,433	16,155	—	260,808	27,565,396
Equipment	17,615,334	148,220	—	1,977,532	19,741,086
Total capital assets, being depreciated	215,399,638	164,375	—	4,644,082	220,208,095
Less accumulated depreciation for:					
Infrastructure	(114,298,852)	(3,316,397)	—	—	(117,615,249)
Buildings & Improvements	(14,837,096)	(1,026,453)	—	—	(15,863,549)
Equipment	(15,205,899)	(1,269,672)	—	—	(16,475,571)
Total accumulated depreciation	(144,341,847)	(5,612,522)	—	—	(149,954,369)
Total capital assets, being depreciated, net	71,057,791	(5,448,147)	—	4,644,082	70,253,726
Governmental - type activities capital assets, net	98,509,865	21,336,546	(859,207)	(459,654)	118,527,550

	Balance June 30, 2018	Additions	Retirement	Transfers & Adjustments	Balance June 30, 2019
Business - Type Activities					
Capital assets not being depreciated:					
Land	313,079	—	—	—	313,079
Construction in progress	70,448	—	—	—	70,448
Total capital assets not being depreciated	383,527	—	—	—	383,527
Capital assets being depreciated:					
Improvements	806,262	—	—	—	806,262
Equipment	74,145	—	—	—	74,145
Total capital assets being depreciated	880,407	—	—	—	880,407
Less accumulated depreciation	(530,001)	(43,212)	—	—	(573,213)
Total capital assets, being depreciated, net	350,406	(43,212)	—	—	307,194
Business-type activities capital assets, net	733,933	(43,212)	—	—	690,721

Depreciation

Depreciation expense was charged to governmental and business-type activities by function as follows:

Governmental Activities:

General government	\$ 526,880
Public protection	1,015,696
Public ways and facilities	3,695,002
Health and sanitation	79,307
Public assistance	195,418
Education	23,221
Recreation and cultural services	76,998
Total Governmental Activities Depreciation Expense	<u>\$ 5,612,522</u>

Business-Type Activities:

Solid Waste - County Landfill	<u>\$ 43,212</u>
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NOTE 6. 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:

June 30	Total
2020	\$ 832,463
2021	658,860
2022	572,752
2023	551,822
Total minimum rental payments	<u>\$ 2,615,897</u>

Total rent expenditures for the year ended June 30, 2019 was \$1,014,192, of which \$117,654 was paid by the General Fund, \$516,007 was paid by the Human Services Agency Fund, \$124,165 was paid by the Public Health Fund, and \$256,366 was paid by the Mental Health Fund.

B. Capital Lease Obligations

The County has entered into capital lease arrangements under which the related equipment will become the property of the County when all terms of the agreement are met. Capital lease arrangements include various office equipment, and one lease/purchase agreement executed in FY 2018-19 with Bank of America for building improvements and solar equipment.

The following schedule presents future minimum capital lease payments, payable by the General Fund and other major and non-major special revenue funds:

June 30	Governmental Activities	
	Principal	Interest
2020	45,620	308,395
2021	197,244	300,794
2022	211,773	292,907
2023	230,792	284,118
2024	249,928	274,774
2025-2029	1,609,599	1,203,396
2030-2034	2,359,518	821,182
2035-2038	3,317,863	272,693
Total lease payments	<u>8,222,337</u>	<u>3,758,259</u>

The following schedule includes all property and equipment assets held under capital leases:

Solar project in WIP	\$ 6,998,464
Equipment	172,222
Less: Accumulated Depreciation-Equipment	(129,943)
Total	<u>\$ 7,040,743</u>

NOTE 7. LONG-TERM LIABILITIES

A. Summary of Long-Term Liabilities

The following is a summary of long-term liability transactions for the fiscal year ended June 30, 2019:

	Balance			Balance	Due Within
	June 30, 2018	Increases	Decreases	June 30, 2019	One Year
Governmental Activities:					
Capital leases	\$ 70,730	\$ 8,186,349	\$ (34,742)	\$ 8,222,337	\$ 45,620
Compensated absences	3,140,343	1,992,523	(2,006,979)	3,125,887	312,589
Liability for unpaid claims	4,103,516	1,157,199	(1,306,215)	3,954,500	395,450
Net Pension Liability	58,835,133	8,635,500	(9,597,084)	56,962,702	—
Net OPEB Liability	6,328,667	1,167,440	(2,419,171)	5,076,936	—
Subtotal	72,478,389	21,139,011	(15,364,191)	77,342,362	753,659
Loans payable (direct borrowings)	—	51,022	(738)	\$ 50,284	8,119
2019 Certificates of Participation (COP)	—	7,480,000	—	\$ 7,480,000	110,000
Unamortized premium on COP	—	279,887	—	\$ 279,887	—
Subtotal 2019 COP	—	7,759,887	—	7,759,887	110,000
Total Governmental Activities LT Liabilities	<u>\$ 72,478,389</u>	<u>\$ 28,949,920</u>	<u>\$ (15,364,929)</u>	<u>\$ 85,152,533</u>	<u>\$ 871,778</u>
Business-Type Activities:					
Compensated absences	\$ 1,059	\$ 2,008	\$ (1,564)	\$ 1,503	\$ —
Closure and post closure	714,000	—	—	714,000	—
Net Pension Liability	155,206	19,171	(23,544)	150,833	—
Net OPEB Liability	46,111	8,506	(17,627)	36,990	—
Total Business-Type Activities LT Liabilities	<u>\$ 916,376</u>	<u>\$ 29,685</u>	<u>\$ (42,735)</u>	<u>\$ 903,326</u>	<u>\$ —</u>

Capital Leases - 2019 Equipment Lease/Purchase Agreement

The County entered into an Equipment Lease/Purchase Agreement with Bank of America on August 3, 2018. The terms of the agreement were a 20 year lease with a principal amount of \$8,175,000 at 3.760% interest rate per annum. The lease agreement was related to the Energy Conservation Measures Project which consists of the design, construction, installation, and monitoring of certain energy conservation measurement improvements to various County facilities. Solar energy panels, lighting and HVAC improvements are part of the scope of work.

Loans Payable - direct borrowings (PG&E On-Bill Financing)

In addition to the lease/purchase agreement for the above referenced Energy Conservation Measures Project, the County executed three on-bill financing loan agreements with Pacific, Gas, and Electric Company (PG&E) in fiscal year 2018-19 totaling \$51,022 in loan proceeds. Loan proceeds are disbursed to the County after work has been completed at each County facility, and a post installation inspection and project verification has been conducted. As of June 30, 2019, three loans had been executed and a loan payable was recognized. Each loan carries zero percent interest rate, and payment terms that range from 58 to 91 months.

In FY 2019-20, an additional five agreements were executed for an additional \$260,027. The five agreements have terms that range from 27 to 94. The County expects to have project inspections completed and expects to receive loan proceeds in fiscal year 2019-2020.

2019 Certificates of Participation

The San Benito County Financing Corporation (the "Corporation") is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California. The Corporation was established for the purpose of facilitating the financing of public projects in the County. The Board of Directors of the Corporation is composed of the sitting members of the Board of Supervisors of the County.

The County agreed to lease the County sheriff administration building, approximately 42,000 square feet located at 2301 Technology Parkway in Hollister, CA, to the San Benito County Financing Corporation (the "Corporation"). The lease agreement terminates on October 1, 2048. The Corporation then subleases the leased property back to the County under the lease agreement. The County has the option at any time during the term of the lease agreement to substitute or remove the leased property, upon satisfaction of certain conditions set forth in the lease agreement. Under the lease agreement the County pays semiannual lease payments as the rental for the use and occupancy of the leased property. The County is obligated to deposit with Wells Fargo Bank, N.A. (the "Trustee") the full amount of the lease payment.

In FY 2018-19, the County issued \$7.48 million in certificates of participation. The certificates were sold to provide funds to the County to finance the acquisition of land and the costs of construction of the County adult detention facility (capital asset). These certificates are secured by annual lease payments, described in the previous paragraph, paid by the County directly to the Trustee, as assignee of the Corporation, and the lease payments are used to pay the principal and interest of the debt. The final maturity of the certificates is October 1, 2048, which corresponds to the final lease payment, with an interest rate of 3.34% .

The certificates contain debt covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease payments due each year in its annual budget and make the necessary appropriations. The County is also required to maintain certain levels of public liability and property damage, fire and extended coverage insurance, rental interruption insurance, and title insurance in connection with the lease agreement. The County is under no obligation to provide insurance against loss or damage occasioned by the perils of earthquake or flood. The County is in compliance with all significant financial restrictions and requirements as set forth in its debt covenants.

The County maintains a Standard & Poor's "AA" rating for long-term certificates of participation. There is no assurance that any credit rating given will be maintained for any period of time.

The following is a schedule of total COP debt service obligations to maturity as of June 30, 2019:

Year Ending June 30, 2019	Principal	Interest
2020	\$ 110,000	\$ 299,100
2021	135,000	272,643
2022	140,000	265,769
2023	145,000	258,644
2024	155,000	251,144
2025-2029	905,000	1,127,719
2030-2034	1,135,000	895,294
2035-2039	1,335,000	698,147
2040-2044	1,560,000	464,131
2045-2049	1,860,000	167,475
Sub-total	7,480,000	4,700,066
Unamortized Premium	279,887	
Total COP debt	7,759,887	4,700,066

NOTE 8. 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, 2019, 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 9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL DEPARTMENTS/FUNDS

The following fund(s), or individual department within a fund, reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2019:

Fund	Department	Amount in Excess
General Fund:		
	Public Defender	\$ 3,838
	Sheriff's Grant	\$ 632
	Contributions to Community Organizations	\$ 1,614
	First 5 San Benito	\$ 54,494
	Historical & San Justo Reservoir Parks	\$ 2,573

NOTE 10. DEFICIT FUND EQUITY

The special revenue fund *Victim Witness* has a deficit of \$234,459 at fiscal year end. Victim Witness is solely funded through Federal and State grants. The deficit was caused by the timing of grant reimbursements. As grant reimbursements are received in the following fiscal year the deficit will be resolved.

The special revenue fund *Family Support* has net expenditures over revenues of \$69,546 due to the timing of collecting revenues; this increased the deficit fund balance to \$305,796 at fiscal year end. Family Support is 66% federally funded and 34% state funded. The deficit will be resolved once reimbursement is received.

The special revenue fund *Mosquito Abatement* has a deficit of \$1,050 at fiscal year end. Mosquito abatement operates on the revenues generated from property taxes and any deficit is covered by the General Fund.

The internal service fund has a deficit of \$281,680 at fiscal year end. The internal service fund was established during fiscal year 2018-2019 for the County's energy resource management services which includes HVAC improvements and solar panel installations on various county facilities. Charges to the County's governmental funds in the following fiscal year will resolve the fund's deficit.

NOTE 11. CLOSURE AND POSTCLOSURE CARE COSTS

The County owns the John Smith Landfill, a Class III facility. Approximately 90 acres are for solid waste disposal. An additional 5 acres of the landfill are for Class I operations that ceased in 1983, with closure activities completed in 1992. Ownership of the hazardous waste Class I site was transferred to the City of Hollister in 1984. The County entered into an agreement in 1994 to share the Class I postclosure costs with the City.

State and federal laws and regulations require that landfill operators demonstrate the availability of financial resources to fund closure, postclosure and corrective activities at the landfill site.

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.

The total postclosure cost has been estimated by the Department of Toxic Substance Control at \$1.4 million. As per the 1994 agreement with the City of Hollister, the County's share of the Class I post-closure costs are recognized as restricted funds in the proprietary fund in the amount of \$740 thousand.

On April 1, 2014, Waste Connections Inc., the contract operator of the Class III landfill entered into a new Landfill Operating Agreement with the County. One of the conditions of the new Agreement was the transfer of the Class III closure, postclosure and corrective liability from the County to Waste Connections Inc. Waste Connections Inc. posted surety bonds with CalRecycle to cover the liability for these activities. On July 9, 2014, CalRecycle accepted the bonds as a substitute for the “Enterprise Fund and Pledge of Revenue Agreement” thereby freeing the dedicated County Enterprise funds held for this purpose. As of May 22, 2019, Waste Connections provided CalRecycle with surety bond riders to update coverage for the liability as required. Consequently, the County does not recognize closure, postclosure and corrective costs for its Class III landfill operations.

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, 2019, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
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	8.179%	8.179%
Required employer contribution for unfunded liability	2,854,118	-

Employees Covered - At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous
Active employees	373
Inactive employees entitled to but not yet receiving benefits	515
Inactive employees or beneficiaries currently receiving benefits	510
Total	<u>1,398</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 contribution rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional percentage to finance the unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined contribution normal cost rate and the contribution rate of employees. For the measurement period ended June 30, 2018, the average active employee contribution rate is 6.75 percent of annual pay, and the employer’s contribution rate is 19.266 percent of covered payroll. Employer contribution rates may change if plan contracts are amended. Starting with fiscal year 2017-18, the actuarially determined contribution to fund the pension plan will be comprised of two components: (1) the normal cost, expressed as a percentage of total active payroll and (2) the amortization of the unfunded accrued liability (UAL), expressed as a dollar amount.

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, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
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, 2017 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 7.15% 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% 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 7.15% used for the June 30, 2018 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 CalPERS Board of Administration on December 19, 2017.

<u>Asset Class</u>	Current Target Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50%	4.8%	5.98%
Global Fixed Income	28%	1%	2.62%
Inflation Assets	—%	0.77%	1.81%
Real Assets	13%	3.75%	4.93%
Private Equity	8%	6.3%	7.23%
Liquidity	1%	—%	(0.92)%
Total	100%		

^(a) An expected inflation of 2.00% used for this period

^(b) An expected inflation of 2.92% 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)
Primary Government			
Balance at June 30, 2017	\$ 152,556,139	\$ 110,373,546	\$ 42,182,593
Changes in the year:			
Service Cost	3,231,619	—	3,231,619
Interest on the Total Pension Liability	10,218,985	—	10,218,985
Changes of Benefit Terms	—	—	—
Changes of Assumptions	(786,892)	—	(786,892)
Differences between Expected and Actual Experience	(161,111)	—	(161,111)
Plan to Plan Resource Movement	—	86,268	(86,268)
Contributions - Employer	—	3,893,261	(3,893,261)
Contributions - Employees	—	1,570,462	(1,570,462)
Net Investment Income	—	8,681,388	(8,681,388)
Benefit Payments, including Refunds of Employee Contributions	(6,870,098)	(6,870,098)	—
Administrative Expense	—	(296,150)	296,150
Net Changes	5,632,503	7,065,131	(1,432,628)
Balance at June 30, 2018	\$ 158,188,642	\$ 117,438,677	\$ 40,749,965
Component Unit			
Balance at June 30, 2017	\$ 763,884	\$ 260,671	\$ 503,213
Changes in the year:			
Service Cost	28,527	—	28,527
Interest on the Total Pension Liability	90,207	—	90,207
Changes of Benefit Terms	—	—	—
Changes of Assumptions	(6,946)	—	(6,946)
Differences between Expected and Actual Experience	(1,422)	—	(1,422)
Plan to Plan Resource Movement	—	762	(762)
Contributions - Employer	—	45,157	(45,157)
Contributions - Employees	—	13,863	(13,863)
Net Investment Income	—	76,634	(76,634)
Benefit Payments, including Refunds of Employee Contributions	(60,645)	(60,645)	—
Administrative Expense	—	120,196	(120,196)
Net Changes	49,721	195,967	(146,246)
Balance at June 30, 2018	\$ 813,605	\$ 456,638	\$ 356,967

The above schedule excludes the Courts' share of the Miscellaneous Plan determined at June 30, 2019 to be 7.43 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 7.15%, 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 62,402,974
Current Discount Rate	7.15%
Net Pension Liability	\$ 40,749,965
1% Increase	8.15%
Net Pension Liability	\$ 24,886,333

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

For the year ended June 30, 2019, the County's primary government recognized pension expense of \$6,533,467 for the Miscellaneous Plan. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 4,297,439	\$ —	\$ 37,935	\$ —
Differences between actual and expected experience	—	(525,499)	—	(4,596)
Changes in assumptions	2,319,547	(515,550)	20,476	(4,551)
Net differences between projected and actual investment earnings	323,469	—	2,855	—
Total	<u>\$ 6,940,455</u>	<u>\$ (1,041,049)</u>	<u>\$ 61,266</u>	<u>\$ (9,147)</u>

For the primary government \$4,297,439, and the government's component unit \$37,935, is 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 fiscal year ended June 30, 2020. Other amounts reported as deferred inflows of resources, related to pensions, will be recognized as pension expense as follows:

Measurement Period Ended June 30	Primary Government	Component Unit
	Deferred	Deferred
	Outflows/(Inflows) of Resources	Outflows/(Inflows) of Resources
2019	\$ 2,895,917	25,606
2020	\$ 17,003	150
2021	\$ (1,039,882)	(9,180)
2022	\$ (271,072)	(2,393)

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, 2019, are summarized as follows:

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	January 1, 2013	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%	12.75%
Required employer contribution rates	19.353%	12.965%
Required employer contribution for unfunded liability	\$1,487,818	—

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, 2019, the contributions recognized as part of pension expense for the Safety Plan were as follows:

	Safety
Contributions - employer	\$ 2,425,269

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

As of June 30, 2019, 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	16,363,570

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, 2018, 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, 2017 rolled forward to June 30, 2018, 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, 2017 and 2018 was as follows:

	<u>Safety</u>
Proportion - June 30, 2017	0.281291%
Proportion - June 30, 2018	0.278882%
Change - Increase (Decrease)	(0.002409)%

For the year ended June 30, 2019, the County recognized pension expense of \$3,361,799 for the Safety Plans. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,607,926	\$ —
Differences in proportion	260,513	(32,192)
Changes in assumptions	1,770,637	(381,703)
Differences between expected and actual experience	355,853	(5,588)
Differences between the employer's contributions and the employer's proportionate share of contributions	640,563	—
Net differences between projected and actual earnings on plan investments	110,789	—
Total	<u>\$ 5,746,281</u>	<u>\$ (419,483)</u>

\$2,607,926 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ 2,049,837
2020	\$ 1,364,799
2021	\$ (595,406)
2022	\$ (100,358)

Actuarial Assumptions - The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry - Age Normal Cost Method
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB 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, 2014 to the June 30, 2015 funding valuation report. Further details of the Experience study can be found on the CalPERS website.

Discount Rate - The discount rate remained the same as the previous fiscal year, at 7.15 percent for the Plan. According to paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for 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 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	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.5%	5.13%
Infrastructure and Forestland	3%	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 7.15%, 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	<u>Safety</u>
1% Decrease	6.15%
Net Pension Liability	\$ 25,576,118
Current Discount Rate	7.15%
Net Pension Liability	\$ 16,363,570
1% Increase	8.15%
Net Pension Liability	\$ 8,815,537

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)

General Information about the OPEB Plan

A. 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. Effective 2017, the County left the CalPERS Healthcare Program provided through PEMHCA and joined CSAC-EIA Healthcare Plan. CSAC-EIA operates a community-rated employer purchasing pool with employees and non-Medicare retirees rated together.

The County provides post-employment healthcare benefits to all employees who retire through CalPERS from the County on or after attaining age 50 with at least five years of service. The surviving spouse of an eligible retiree is eligible for the employer contribution upon the death of the retiree. Under CSAC-EIA, the premium rates are the same for both active and retired employees covered under the same medical plan. The premium contributions of the plan members and the County are established and may be amended by the County. The County's contribution is based on the retiree's elected family coverage category and whether the retiree is Medicare eligible. Currently, 235 retirees meet those eligibility requirements.

The County pre-funds the plan through the California Employers' Retiree Benefit Trust (CERBT). CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to pre-fund retiree health care benefits. A Schedule of Changes in Fiduciary Net Position by Employer, Independent Accountant's Report and Notes to the GASB 75 Schedule for Measurement Date June 30, 2017 are now available and can be accessed at <https://www.calpers.ca.gov/docs/forms-publications/gasb-75-schedule-changes-fiduciary-net-position-2017.pdf>

On May 17, 2016, the County of San Benito adopted the PARS Section 115 Public Agencies Post-Employment Benefits Trust irrevocably dedicated to the pre-funding of OPEB, as defined by Governmental Accounting Standards Board (GASB) Statement No. 45/75, and the pre-funding of pension obligations appointing the authority to the County Auditor as Plan Administrator. Public Agency Retirement System (PARS) serves as Trust Administrator, and U.S. Bank, N.A. serves as Trustee. On July 23, 2019 the County Board of Supervisors authorized staff to transfer half the CERBT assets to the Public Agency Retirement System (PARS) for OPEB. Until this date the County was not utilizing PARS for OPEB pre-funding.

Employees Covered - At the OPEB liability measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>Primary Government</u>	<u>Component Unit</u>
Inactive plan members or beneficiaries currently receiving benefits	235	3
Inactive plan members entitled to but not receiving benefits	—	—
Active plan members	425	6
	<u>660</u>	<u>9</u>

Contributions - An actuarial valuation determines the County's actuarially determined contribution (ADC) for OPEB. The ADC is a target or recommended contribution to a defined contribution OPEB plan, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice. The primary government's actuarially determined contribution for the June 30, 2018 measurement date was \$1,413,606, and \$18,044 for its component unit.

B. Net OPEB Liability

The net OPEB liability measured as of June 30, 2018, including its discretely presented component unit, was reported as \$5,156,951.

	Fiscal Year Ending		Fiscal Year Ending	
	2019	2018	2019	2018
Measurement Date	(2018)	(2017)	(2018)	(2017)
	Primary Government		Component Unit	
Total OPEB Liability (TOL)	28,107,988	27,710,626	488,442	464,636
Fiduciary Net Position (FNP)	22,994,062	21,335,848	445,417	413,299
Net OPEB Liability (NOL)	5,113,926	6,374,778	43,025	51,337
Funded Status (FNP/TOL)	81.81%	77.00%	91.19%	88.95%

Actuarial Assumptions - The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2018																																												
Contribution Policy	actuarially determined contribution, recommended to fully fund the benefits over a reasonable period of time through an amortization of the net (unfunded) OPEB liability																																												
Discount Rate	7.00% per annum - assumes the County continues to fully fund for its retiree health benefits through the CERBT under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1 of 7.28% with an additional margin for adverse deviation.																																												
Expected Long-term Rate of Return on Investments	7.00% per year; assumes the County invests in the CERBT asset allocation strategy 1 with a margin for adverse deviation of 28 bps.																																												
Inflation	2.75% per annum																																												
Salary Increases	3.25% per annum																																												
Pre-retirement turnover	according to the termination rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample rates for Miscellaneous employees are as follows:																																												
	<table border="1"> <thead> <tr> <th rowspan="2">Service</th> <th colspan="4">Entry Age</th> </tr> <tr> <th>20</th> <th>30</th> <th>40</th> <th>50</th> </tr> </thead> <tbody> <tr> <td>—</td> <td>17.42%</td> <td>16.06%</td> <td>14.68%</td> <td>13.32%</td> </tr> <tr> <td>5</td> <td>8.68%</td> <td>7.11%</td> <td>5.54%</td> <td>0.97%</td> </tr> <tr> <td>10</td> <td>6.68%</td> <td>5.07%</td> <td>0.71%</td> <td>0.38%</td> </tr> <tr> <td>15</td> <td>5.03%</td> <td>3.47%</td> <td>0.23%</td> <td>0.04%</td> </tr> <tr> <td>20</td> <td>3.70%</td> <td>0.21%</td> <td>0.05%</td> <td>0.01%</td> </tr> <tr> <td>25</td> <td>2.29%</td> <td>0.05%</td> <td>0.01%</td> <td>0.01%</td> </tr> <tr> <td>30</td> <td>0.05%</td> <td>0.01%</td> <td>0.01%</td> <td>0.01%</td> </tr> </tbody> </table>	Service	Entry Age				20	30	40	50	—	17.42%	16.06%	14.68%	13.32%	5	8.68%	7.11%	5.54%	0.97%	10	6.68%	5.07%	0.71%	0.38%	15	5.03%	3.47%	0.23%	0.04%	20	3.70%	0.21%	0.05%	0.01%	25	2.29%	0.05%	0.01%	0.01%	30	0.05%	0.01%	0.01%	0.01%
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Medical trend rates	medical costs are adjusted in future years by the following trends:																																												
	<table border="1"> <thead> <tr> <th>Year</th> <th>PPO</th> <th>HMO</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>7.0%</td> <td>6.5%</td> </tr> <tr> <td>2019</td> <td>6.5%</td> <td>6.0%</td> </tr> <tr> <td>2020</td> <td>6.0%</td> <td>5.5%</td> </tr> <tr> <td>2021</td> <td>5.5%</td> <td>5.0%</td> </tr> <tr> <td>2022+</td> <td>5.0%</td> <td>5.0%</td> </tr> </tbody> </table>	Year	PPO	HMO	2018	7.0%	6.5%	2019	6.5%	6.0%	2020	6.0%	5.5%	2021	5.5%	5.0%	2022+	5.0%	5.0%																										
Year	PPO	HMO																																											
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The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018 as summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
CERBT		
Global Equity	57%	5.50%
Global Debt Securities	27%	2.35%
Inflation Assets	5%	1.50%
Commodities	3%	1.75%
REIT's	8%	3.65%
	100%	

Discount Rate - The discount rate used to measure the total OPEB liability is 7.00%. This discount rate assumes the County continues to fully fund for its retiree health benefits through the CERBT under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1 of 7.28% with an additional margin for adverse deviation.

C. Changes in the Net OPEB Liability

The table below shows the changes in the Total OPEB liability, the Plan Fiduciary Net Position, and the Net OPEB liability during the measurement period ending on June 30, 2018 for the County's proportionate share, including its discretely presented component unit:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<u>Primary Government</u>			
Balances at June 30, 2017	\$27,710,626	\$21,335,848	\$6,374,778
Changes in the year:			
Service cost	704,029	—	704,029
Interest	1,924,449	—	1,924,449
Changes in benefit terms	—	—	—
Differences between expected and actual experience	(386,064)	—	(386,064)
Changes of assumptions	—	—	—
Contributions - employer	—	1,845,052	(1,845,052)
Net investment income	—	1,697,805	(1,697,805)
Benefit payments, including refunds of member contributions	(1,845,052)	(1,845,052)	—
Administrative expense	—	(11,371)	11,371
Other expense	—	(28,220)	28,220
Net changes	<u>397,362</u>	<u>1,658,214</u>	<u>(1,260,852)</u>
Balance at June 30, 2018	<u>\$28,107,988</u>	<u>\$22,994,062</u>	<u>\$5,113,926</u>
<u>Component Unit</u>			
Balances at June 30, 2017	\$464,636	\$413,299	\$51,337
Changes in the year:			
Service cost	15,816	—	15,816
Interest	32,230	—	32,230
Expected investment income	—	28,904	(28,904)
Net investment income	—	3,981	(3,981)
Benefit payments, including refunds of member contributions	(24,240)	—	(24,240)
Administrative expense	—	(767)	767
Net changes	<u>23,806</u>	<u>32,118</u>	<u>(8,312)</u>
Balance at June 30, 2018	<u>\$488,442</u>	<u>\$445,417</u>	<u>\$43,025</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Net OPEB Liability of the County, calculated using the discount rate of 7.00%, as well as what the County's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
<u>Primary Government</u>			
Net OPEB Liability	\$7,720,898	\$5,113,926	\$2,863,868
<u>Component Unit</u>			
Net OPEB Liability	\$100,657	\$43,025	\$(5,253)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

	1% Decrease 5.00%HMO/5.50%PPO decreasing to 4.00%HMO/4.00%PPO	Current Healthcare Cost Trend Rates 6.00%HMO/6.50%PPO decreasing to 5.00%HMO/5.00%PPO	1% Increase 7.00%HMO/7.50%PPO decreasing to 6.00%HMO/6.00%PPO
<u>Primary Government</u>			
Net OPEB Liability	\$2,325,841	\$5,113,926	\$8,401,288
<u>Component Unit</u>			
Net OPEB Liability	\$(46,608)	\$43,025	\$157,730

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report.

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,015,900, and its component unit recognized OPEB expense of \$30,491. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2019, the County, including its discretely presented component unit, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	—	901,083		3,184
County contributions subsequent to the measurement date	2,919,250	—	18,044	
	<u>\$2,919,250</u>	<u>\$901,083</u>	<u>\$18,044</u>	<u>\$3,184</u>

For the primary government and its component unit, \$2,919,250 and \$18,044, respectively, is reported as deferred outflows of resources, related to contributions subsequent to the measurement date, and will be recognized as OPEB expense in the fiscal year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Primary Government	Component Unit
	2019	(260,912)
2020	(260,912)	(797)
2021	(260,912)	(797)
2022	(118,347)	(793)

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 losses up to \$300,000 for Workers Compensation, up to \$100,000 for all risk liability, \$20,000 for auto liability, and \$25,000 for property, 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. Trindel provides for an annual actuarial study to determine the necessary annual premium and to attain a reserve for claims at the 90% confidence level. Reserves are currently booked at the expected 50% confidence level.

In January 2018, the Trindel Board approved the creation of the Workers Compensation pool; the pool was established on July 1, 2018. Premiums paid into the pool are combined and shared between all members, and reported separately from individual self-insurance funds. Risk pooling does not prevent losses, nor transfer risk. Premiums for the pool will be determined by a third party actuary; premium calculations will use a funding level of 80% confidence level or higher.

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 \$25 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 liability at June 30, 2019 is \$3,954,500.

Fiscal Year Ending,	Beginning Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2019	4,103,516	1,157,199	(1,306,215)	3,954,500
2018	3,638,598	2,076,010	(1,611,092)	4,103,516

NOTE 15. TAX ABATEMENT

The County provides tax abatements for restricted parcels of land under the Land Conservation Act (Williamson Act). Under the Williamson Act private landowners can enter into a contract with the County restricting the use of their land for agricultural or related open space use in exchange for reduced property tax assessments.

Property tax under the Williamson Act is assessed at a rate consistent with the property's actual use rather than the market value. The contracts are binding for a period of ten years and are automatically renewed each year unless the property owner files a Notice of Non-Renewal with the Assessor's Office. After the filing of the notice the land may not be converted to other uses for ten years, during which time the property taxes are gradually increased to reflect the full market value of the land.

No other commitments were made by the County as part of the Williamson Act contracts. For the fiscal year ended June 30, 2019, the County tax abatements under the Williamson Act totaled \$2,807,571.

NOTE 16. 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, 2019.

	General	Human Services Agency	Road	Mental Health	Capital Improvement Projects	Tobacco Securitization	Other Governmental	Total
Nonspendable:								
Inventory	—	—	28,512	—	—	—	—	28,512
Prepays	266,256	90,257	—	—	—	—	45,460	401,973
<i>Total nonspendable fund balance</i>	266,256	90,257	28,512	—	—	—	45,460	430,485
Restricted:								
General government								
Assessor - SCAPAP	268,153	—	—	—	—	—	—	268,153
Public protection								
Recorder programs	1,154,081	—	—	—	—	—	—	1,154,081
Sheriff programs	1,969,925	—	—	—	—	—	—	1,969,925
Probation programs	121,047	—	—	—	—	—	—	121,047
Juvenile probation programs	26,266	—	—	—	—	—	—	26,266
District attorney programs	109,180	—	—	—	—	—	—	109,180
Public safety realignment	—	—	—	—	—	—	6,595,505	6,595,505
Pipeline safety initiative	18,000	—	—	—	—	—	—	18,000
Fish and game programs	—	—	—	—	—	—	4,475	4,475
Public ways and facilities								
Purpose of fund	—	—	3,728,415	—	—	—	—	3,728,415
Road projects	—	—	—	—	—	—	2,998,797	2,998,797
Health and sanitation								
Substance abuse programs	—	—	—	—	—	—	337,550	337,550
Public health programs	—	—	—	—	—	—	2,738,079	2,738,079
Emergency medical services	—	—	—	—	—	—	635,533	635,533
Purpose of fund	—	—	—	15,520,127	—	—	—	15,520,127
Public assistance								
Community services workforce	—	—	—	—	—	—	429,537	429,537
Migrant labor camp	—	—	—	—	—	—	327,608	327,608
Housing assistance programs	—	—	—	—	—	—	1,755,137	1,755,137
Public authority	—	—	—	—	—	—	251,120	251,120
Public assistance programs	—	4,568,210	—	—	—	—	—	4,568,210
County service areas								
Community Facilities District	—	—	—	—	—	—	2,786,674	2,786,674
<i>Total restricted fund balance</i>	3,666,652	4,568,210	3,728,415	15,520,127	—	—	19,382,017	46,865,421
Committed:								
General government								
PARS - pension	3,449,921	—	—	—	—	—	—	3,449,921
General government facilities impact	—	—	—	—	—	—	273,037	273,037
Public protection								
Public protection impact fees	—	—	—	—	—	—	2,394,660	2,394,660
Public ways and facilities								
Public ways and facilities impact fees	—	—	—	—	—	—	9,307,687	9,307,687
Public assistance								
Inclusionary housing impact fees	—	—	—	—	—	—	228,998	228,998
Recreation and culture								
Parks and recreation impact fees	—	—	—	—	—	—	4,396,176	4,396,176
<i>Total committed fund balance</i>	3,449,921	—	—	—	—	—	16,600,558	20,050,479
Assigned:								
General government								
Tobacco securitization	—	—	—	—	—	815,538	—	815,538
Insurance and general liability	4,921,016	—	—	—	—	—	—	4,921,016
Public protection								
Fire protection services	—	—	—	—	—	—	21,042	21,042
Capital Improvement Projects	1,975,058	—	—	—	1,645,534	—	—	3,620,592
<i>Total assigned fund balance</i>	6,896,074	—	—	—	1,645,534	815,538	21,042	9,378,188
Unassigned	12,793,467	—	—	—	—	—	(541,305)	12,252,162
Total Fund Balances	27,072,370	4,658,467	3,756,927	15,520,127	1,645,534	815,538	35,507,772	88,976,735

NOTE 17. AUTHORITATIVE PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statements listed below will be implemented in future financial statements:

- | | |
|--|---|
| Statement No. 84 "Fiduciary Activities" | The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. (FY2019/20) |
| Statement No. 87 "Leases" | The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. (FY2020/21) |
| Statement No. 90 "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61" | The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. (FY2019/2020) |
| Statement No. 91 "Conduit Debt Obligations" | The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. (FY2021/2022) |

NOTE 19. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$(28,553) was recorded in the County's discretely presented component unit to reflect the prior period corrections of non-GAAP transactions, and misstatements of OPEB and pension amounts.

The restatement of beginning net position is summarized as follows:

	<u>Statement of Activities</u>
	<u>Component Unit</u>
Net position/fund balance at June 30, 2018, as originally reported	\$ 778,381
Non-GAAP corrections	56,886
Pension - GASB 68	101,906
OPEB - GASB 75	(187,345)
Restated net position/fund balance at June 30, 2018	<u>\$ 749,828</u>

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 for most Governmental Funds and the County's Proprietary Fund; excluded are the County's non-major special revenue funds for Impact Fees, Tobacco Securitization and Developer Projects 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.

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, 2019, 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, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
FUND BALANCE - BEGINNING	21,837,165	21,487,165	30,447,660	8,960,495
REVENUES				
Taxes	22,425,000	22,425,000	23,602,229	1,177,229
Licenses, permits and franchises	1,512,530	1,512,530	1,912,268	399,738
Aid from other governments	3,922,099	4,172,099	5,716,919	1,544,820
Use of money or property	105,000	105,000	937,665	832,665
Fines, forfeits and penalties	1,042,975	1,042,975	1,253,979	211,004
Charges for services	12,131,043	11,904,908	4,581,087	(7,323,821)
Other revenue	3,615,860	3,671,396	436,975	(3,234,421)
Total Revenues	44,754,507	44,833,908	38,441,122	(6,392,786)
EXPENDITURES				
CURRENT:				
General Government				
Non-Departmental				
Services & Supplies	525,000	493,000	437,851	55,149
Other Charges	2,240,747	2,240,747	1,494,206	746,541
Capital Assets	30,000	30,000	—	30,000
Indirect Cost	—	—	262,734	(262,734)
Total	2,795,747	2,763,747	2,194,791	568,956
Board of Supervisors				
Salaries & Benefits	403,516	403,516	382,935	20,581
Services & Supplies	113,500	145,500	151,775	(6,275)
Other Charges	16,000	16,000	14,500	1,500
Capital Assets	35,000	35,000	—	35,000
Indirect Cost	140,639	125,733	125,733	—
Total	708,655	725,749	674,943	50,806
Clerk of the Board of Supervisors				
Salaries & Benefits	175,088	172,088	152,490	19,598
Services & Supplies	65,500	65,500	29,394	36,106
Capital Assets	30,000	30,000	—	30,000
Indirect Cost	15,268	30,910	30,910	—
Total	285,856	298,498	212,794	85,704

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 General Fund (continued)
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Administrative Officer				
Salaries & Benefits	888,970	833,970	667,512	166,458
Services & Supplies	95,500	95,500	79,132	16,368
Capital Assets	30,000	30,000	11,349	18,651
Indirect Cost	(855,154)	(855,154)	(857,707)	2,553
Total	159,316	104,316	(99,714)	204,030
Information Technology				
Salaries & Benefits	364,156	345,156	313,290	31,866
Services & Supplies	362,050	761,050	465,103	295,947
Indirect Cost	(474,805)	(474,805)	(489,799)	14,994
Total	251,401	631,401	288,594	342,807
Geographical Information Systems				
Salaries & Benefits	106,108	117,108	117,896	(788)
Services & Supplies	42,540	43,540	40,293	3,247
Indirect Cost	3,797	3,689	3,689	—
Total	152,445	164,337	161,878	2,459
County Counsel				
Salaries & Benefits	680,238	680,238	619,734	60,504
Services & Supplies	530,290	530,290	474,349	55,941
Indirect Cost	(596,428)	(596,428)	(582,365)	(14,063)
Total	614,100	614,100	511,718	102,382
County Auditor/Controller				
Salaries & Benefits	1,106,806	1,096,806	1,034,363	62,443
Services & Supplies	170,860	170,860	146,495	24,365
Indirect Cost	(729,623)	(729,623)	(768,296)	38,673
Total	548,043	538,043	412,562	125,481
County Treasurer				
Salaries & Benefits	276,523	329,523	332,556	(3,033)
Services & Supplies	92,057	61,057	41,918	19,139
Indirect Cost	33,261	35,653	35,653	—
Total	401,841	426,233	410,127	16,106

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund (continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
County Assessor				
Salaries & Benefits	1,829,526	2,173,526	1,858,971	314,555
Services & Supplies	188,065	215,065	214,020	1,045
Indirect Cost	176,957	161,308	161,308	—
Total	2,194,548	2,549,899	2,234,299	315,600
Tax Collector				
Salaries & Benefits	325,026	274,026	248,946	25,080
Services & Supplies	31,711	61,711	45,100	16,611
Indirect Cost	25,151	28,431	28,431	—
Total	381,888	364,168	322,477	41,691
Internal Services				
Salaries & Benefits	530,636	405,636	365,534	40,102
Services & Supplies	132,000	212,000	206,833	5,167
Indirect Cost	(537,774)	(537,774)	(527,494)	(10,280)
Total	124,862	79,862	44,873	34,989
Elections				
Salaries & Benefits	266,900	268,900	251,443	17,457
Services & Supplies	323,775	323,775	395,780	(72,005)
Capital Assets	92,000	92,000	—	92,000
Indirect Cost	40,540	74,937	74,937	—
Total	723,215	759,612	722,160	37,452
Maintenance - Buildings & Grounds				
Salaries & Benefits	258,671	248,671	285,904	(37,233)
Services & Supplies	553,100	553,100	472,020	81,080
Capital Assets	100,000	100,000	16,155	83,845
Indirect Cost	(456,249)	(510,114)	(553,369)	43,255
Total	455,522	391,657	220,710	170,947
Risk Management				
Salaries & Benefits	1,684,637	1,684,637	(510,706)	2,195,343
Other Charges	2,372,500	2,372,500	2,875,154	(502,654)
Indirect Cost	(83,149)	(83,149)	(893,603)	810,454
Total	3,973,988	3,973,988	1,490,103	2,483,885
Total General Government	13,771,427	14,385,610	9,802,315	4,583,295

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 General Fund (continued)
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Public Protection				
Grand Jury				
Services & Supplies	22,000	22,000	3,116	18,884
Indirect Cost	(2,989)	(3,007)	(3,007)	—
Total	19,011	18,993	109	18,884
District Attorney				
Salaries & Benefits	1,520,146	1,468,146	1,457,180	10,966
Services & Supplies	88,775	88,775	81,541	7,234
Indirect Cost	162,772	132,982	132,982	—
Total	1,771,693	1,689,903	1,671,703	18,200
Public Defender				
Services & Supplies	896,000	896,000	899,838	(3,838)
Indirect Cost	4,137	3,833	3,833	—
Total	900,137	899,833	903,671	(3,838)
Sheriff - Operations Division				
Salaries & Benefits	4,964,429	4,911,429	4,938,636	(27,207)
Services & Supplies	510,975	510,975	511,534	(559)
Capital Assets	65,000	65,000	—	65,000
Indirect Cost	473,164	592,735	592,735	—
Total	6,013,568	6,080,139	6,042,905	37,234
911 Communications Center				
Salaries & Benefits	83,513	19,513	1,598	17,915
Services & Supplies	575,525	599,525	591,621	7,904
Total	659,038	619,038	593,219	25,819
UNET - Anti-Drug Task Force				
Salaries & Benefits	133,646	133,646	17,766	115,880
Services & Supplies	97,107	97,107	90,394	6,713
Indirect Cost	9,080	9,056	9,056	—
Total	239,833	239,809	117,216	122,593

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 General Fund (continued)
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Sheriff's Grant				
Salaries & Benefits	289,857	291,857	296,449	(4,592)
Services & Supplies	3,960	3,960	—	3,960
Capital Assets	21,073	21,073	21,073	—
Total	314,890	316,890	317,522	(632)
Corrections Division - Jail				
Salaries & Benefits	4,027,060	3,972,060	3,815,842	156,218
Services & Supplies	1,807,500	1,807,500	1,741,900	65,600
Capital Assets	24,160	24,160	7,796	16,364
Indirect Cost	386,550	412,952	412,952	—
Total	6,245,270	6,216,672	5,978,490	238,182
Probation Department				
Salaries & Benefits	2,871,297	2,798,297	2,298,286	500,011
Services & Supplies	508,100	508,100	697,381	(189,281)
Other Charges	1,000	1,000	427	573
Capital Assets	294,931	269,431	32,120	237,311
Indirect Cost	140,000	165,536	273,966	(108,430)
Total	3,815,328	3,742,364	3,302,180	440,184
Juvenile Detention Facility				
Salaries & Benefits	1,142,379	1,133,379	1,075,863	57,516
Services & Supplies	424,239	424,239	388,496	35,743
Other Charges	10,000	10,000	237	9,763
Indirect Cost	69,743	84,688	84,688	—
Total	1,646,361	1,652,306	1,549,284	103,022
Gang Prevention				
Salaries & Benefits	462	462	—	462
Services & Supplies	81,700	81,700	—	81,700
Indirect Cost	4,659	4,535	—	4,535
Total	86,821	86,697	—	86,697
Agricultural Commissioner				
Salaries & Benefits	813,438	803,438	826,836	(23,398)
Services & Supplies	162,000	162,000	56,347	105,653
Capital Assets	41,500	41,500	33,415	8,085
Indirect Cost	64,928	61,979	61,979	—
Total	1,081,866	1,068,917	978,577	90,340

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund (continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Public Works - Administration & Engineering				
Salaries & Benefits	1,576,719	1,191,719	1,025,140	166,579
Services & Supplies	146,000	546,000	595,762	(49,762)
Indirect Cost	55,459	41,180	41,180	—
Total	1,778,178	1,778,899	1,662,082	116,817
County Clerk				
Salaries & Benefits	204,014	202,014	183,898	18,116
Services & Supplies	22,100	22,100	21,987	113
Capital Assets	30,000	30,000	—	30,000
Indirect Cost	(1,008)	6,577	6,577	—
Total	255,106	260,691	212,462	48,229
County Recorder				
Salaries & Benefits	375,111	359,111	302,327	56,784
Services & Supplies	280,237	280,237	208,691	71,546
Capital Assets	61,850	61,850	—	61,850
Indirect Cost	46,410	41,659	41,659	—
Total	763,608	742,857	552,677	190,180
Coroner				
Services & Supplies	77,940	100,940	80,713	20,227
Other Charges	6,000	8,000	7,595	405
Indirect Cost	330	2,461	2,461	—
Total	84,270	111,401	90,769	20,632
Public Administrator				
Services & Supplies	3,559	4,559	3,871	688
Indirect Cost	1,780	(7,477)	(7,477)	—
Total	5,339	(2,918)	(3,606)	688
Office of Emergency Services				
Salaries & Benefits	249,143	246,143	214,502	31,641
Services & Supplies	341,918	341,918	156,281	185,637
Indirect Cost	72,033	72,155	72,155	—
Total	663,094	660,216	442,938	217,278
Disaster Recovery				
Services & Supplies	—	—	377,807	(377,807)
Capital Assets	500,000	500,000	—	500,000
Total	500,000	500,000	377,807	122,193

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 General Fund (continued)
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Planning and Building Department				
Salaries & Benefits	898,920	668,920	626,027	42,893
Services & Supplies	1,355,500	1,495,500	595,085	900,415
Indirect Cost	324,591	325,871	325,871	—
Total	2,579,011	2,490,291	1,546,983	943,308
Animal Control & Veterinarian Services				
Services & Supplies	300,000	300,000	285,798	14,202
Indirect Cost	34,347	34,059	34,059	—
Total	334,347	334,059	319,857	14,202
Housing & Economic Development				
Services & Supplies	—	60,000	48,492	11,508
Indirect Cost	—	(1,613)	(1,613)	—
Total	—	58,387	46,879	11,508
Abandoned Vehicle Abatement				
Indirect Cost	—	(1,540)	(1,540)	—
Total	—	(1,540)	(1,540)	—
Land Development Projects				
Salaries & Benefits	—	—	167	(167)
Services & Supplies	—	550,000	533,904	16,096
Total	—	550,000	534,071	15,929
Cannabis				
Services & Supplies	75,000	75,000	17,975	57,025
Total	75,000	75,000	17,975	57,025

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
General Fund (continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
COG/Transit				
Salaries & Benefits	853,605	861,605	775,573	86,032
Other Charges	40,000	40,000	—	40,000
Indirect Cost	1,760	14,155	14,155	—
Total	895,365	915,760	789,728	126,032
Total Public Protection	30,727,134	31,104,664	28,043,958	3,060,706
Public Assistance				
Aid to Indigents				
Other Charges	200,000	345,000	334,746	10,254
Total	200,000	345,000	334,746	10,254
Contributions to Community Organizations				
Other Charges	120,000	120,000	121,614	(1,614)
Indirect Cost	2,291	2,323	2,323	—
Total	122,291	122,323	123,937	(1,614)
Veterans Services				
Salaries & Benefits	11,000	11,000	12,650	(1,650)
Services & Supplies	99,000	99,000	93,145	5,855
Indirect Cost	11,773	11,665	11,665	—
Total	121,773	121,665	117,460	4,205
First 5 San Benito				
Salaries & Benefits	—	—	30,254	(30,254)
Other Charges	—	—	24,240	(24,240)
Total	—	—	54,494	(54,494)
Total Public Assistance	444,064	588,988	630,637	12,845
Education				
County Library				
Salaries & Benefits	815,273	797,273	783,267	14,006
Services & Supplies	210,500	210,500	213,158	(2,658)
Capital Assets	100,000	100,000	5,283	94,717
Indirect Cost	142,019	69,490	69,490	—
Total	1,267,792	1,177,263	1,071,198	106,065

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 General Fund (continued)
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Agricultural Extension				
Services & Supplies	50,460	50,460	49,502	958
Indirect Cost	3,524	11,022	11,022	—
Total	53,984	61,482	60,524	958
Total Education	1,321,776	1,238,745	1,131,722	107,023
Parks and Recreation				
Veterans Memorial Park				
Salaries & Benefits	40,860	31,360	29,753	1,607
Services & Supplies	68,050	68,050	21,511	46,539
Capital Assets	5,000	5,000	—	5,000
Indirect Cost	6,026	5,914	5,914	—
Total	119,936	110,324	57,178	53,146
Historical & San Justo Reservoir Parks				
Salaries & Benefits	40,897	52,397	54,810	(2,413)
Services & Supplies	16,050	16,050	16,210	(160)
Indirect Cost	7,709	7,751	7,751	—
Total	64,656	76,198	78,771	(2,573)
Total Parks and Recreation	184,592	186,522	135,949	50,573
Total Expenditures	46,448,993	47,504,529	39,744,581	7,759,948
Excess of Revenue Over (Under) Expenditures	(1,694,486)	(2,670,621)	(1,303,459)	1,367,162
Other Financing Sources (Uses):				
Transfers in	3,155,510	3,155,510	1,621,176	(1,534,334)
Transfers out	(2,590,967)	(3,640,842)	(3,704,356)	63,514
Capital Leases	—	—	11,349	(11,349)
Total other financing sources (uses)	564,543	(485,332)	(2,071,831)	(1,482,169)
Net Change in Fund Balance	(1,129,943)	(3,155,953)	(3,375,290)	(219,337)
Ending Fund Balance, 06/30/2019	20,707,222	18,331,212	27,072,370	8,741,158

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Human Services Agency Fund Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	20,150,000	20,150,000	20,271,764	121,764
Use of money or property	—	—	112,784	112,784
Charges for services	211,028	211,028	7,384	(203,644)
Other revenue	102,000	102,000	70,478	(31,522)
Total Revenues	<u>20,463,028</u>	<u>20,463,028</u>	<u>20,462,410</u>	<u>(618)</u>
Expenditures:				
Current:				
Salaries & Benefits	12,089,857	11,809,857	9,274,711	2,535,146
Services & Supplies	2,038,764	2,318,764	2,543,183	(224,419)
Other Charges	8,810,986	8,810,986	9,168,623	(357,637)
Capital Assets	75,000	75,000	41,259	33,741
Indirect Costs	427,128	427,128	405,537	21,591
Total Expenditures	<u>23,441,735</u>	<u>23,441,735</u>	<u>21,433,313</u>	<u>2,008,422</u>
Excess (deficiency) of revenues over expenditures	<u>(2,978,707)</u>	<u>(2,978,707)</u>	<u>(970,903)</u>	<u>2,007,804</u>
Other Financing Sources (Uses):				
Transfers in	7,615,195	7,615,195	12,383	(7,602,812)
Transfers out	(3,156,847)	(3,156,847)	(256,487)	2,900,360
Total other financing sources (uses)	<u>4,458,348</u>	<u>4,458,348</u>	<u>(244,104)</u>	<u>(4,702,452)</u>
Net change in fund balance	<u>1,479,641</u>	<u>1,479,641</u>	<u>(1,215,007)</u>	<u>(2,694,648)</u>
Fund balance - beginning of year	5,873,474	5,873,474	5,873,474	—
Fund balance - end of year	<u>5,873,474</u>	<u>5,873,474</u>	<u>4,658,467</u>	<u>(1,215,007)</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Road Fund Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 66,045,302	\$ 66,045,302	\$ 4,046,624	(61,998,678)
Use of money or property	15,000	15,000	96,352	81,352
Other revenue	11,696	11,696	—	(11,696)
Total Revenues	<u>66,071,998</u>	<u>66,071,998</u>	<u>4,142,976</u>	<u>(61,929,022)</u>
Expenditures:				
Current:				
Salaries & Benefits	1,395,077	1,395,077	824,939	570,138
Services & Supplies	2,455,954	2,455,954	1,043,191	1,412,763
Other Charges	90,000	90,000	90,000	—
Capital Assets	62,015,644	62,015,644	1,290,768	60,724,876
Indirect Costs	294,925	294,925	261,501	33,424
Total Expenditures	<u>66,251,600</u>	<u>66,251,600</u>	<u>3,510,399</u>	<u>62,741,201</u>
Excess (deficiency) of revenues over expenditures	<u>(179,602)</u>	<u>(179,602)</u>	<u>632,577</u>	<u>812,179</u>
Other Financing Sources (Uses):				
Transfers in	179,602	179,602	9,120	(170,482)
Total other financing sources (uses)	<u>179,602</u>	<u>179,602</u>	<u>9,120</u>	<u>(170,482)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>641,697</u>	<u>641,697</u>
Fund balance - beginning of year	<u>3,115,230</u>	<u>3,115,230</u>	<u>3,115,230</u>	<u>—</u>
Fund balance - end of year	<u><u>3,115,230</u></u>	<u><u>3,115,230</u></u>	<u><u>3,756,927</u></u>	<u><u>641,697</u></u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Mental Health Fund Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	6,861,800	6,861,800	9,183,655	2,321,855
Use of money or property	—	—	331,916	331,916
Charges for services	80,000	80,000	126,663	46,663
Other revenue	1,885,572	1,885,572	6,495	(1,879,077)
Total Revenues	8,827,372	8,827,372	9,648,729	821,357
Expenditures:				
Current:				
Salaries & Benefits	5,383,444	5,383,444	3,448,033	1,935,411
Services & Supplies	2,570,400	2,570,400	2,307,876	262,524
Other Charges	614,300	614,300	1,184,422	(570,122)
Capital Assets	35,000	35,000	—	35,000
Indirect Costs	270,000	270,000	287,681	(17,681)
Total Expenditures	8,873,144	8,873,144	7,228,012	1,645,132
Excess (deficiency) of revenues over expenditures	(45,772)	(45,772)	2,420,717	2,466,489
Other Financing Sources (Uses):				
Transfer In	1,236,272	1,236,272	45,772	(1,190,500)
Transfer Out	(1,190,500)	(1,190,500)	(609,294)	581,206
Total other financing sources (uses)	45,772	45,772	(563,522)	(609,294)
Net change in fund balance	—	—	1,857,195	1,857,195
Fund balance - beginning of year	13,662,932	13,662,932	13,662,932	—
Fund balance - end of year	13,662,932	13,662,932	15,520,127	1,857,195

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)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability					
Service Cost	\$ 3,231,619	\$ 2,995,157	\$ 2,601,753	\$ 2,669,215	\$ 2,807,691
Interest on Total Pension Liability	10,218,985	9,798,018	9,519,074	9,982,906	9,676,904
Changes in Assumptions	(786,892)	8,085,676	—	(2,443,007)	—
Differences between Expected and Actual Experience	(161,111)	(1,463,872)	(450,028)	(2,370,448)	—
Benefit Payments, Including Refunds of Employee Contributions	(6,870,098)	(7,064,583)	(6,802,297)	(6,375,115)	(5,888,439)
Proportional Difference between County and Courts Share	—	—	—	(116,765)	(3,171,456)
Net Change in Total Pension Liability	5,632,503	12,350,396	4,868,502	1,346,786	3,424,700
Total Pension Liability - Beginning	152,556,139	140,205,743	135,337,241	133,990,455	130,565,755
Total Pension Liability - Ending (a)	\$158,188,642	\$152,556,139	\$140,205,743	\$135,337,241	\$133,990,455
Plan Fiduciary Net Position					
Plan to Plan Resource Movement	\$ 86,268	\$ (1,723)	\$ 147	\$ 12,552	\$ —
Contributions - Employer	3,893,261	3,318,269	3,349,688	2,643,107	2,335,003
Contributions - Employee	1,570,462	1,319,054	1,307,237	1,282,053	1,317,844
Net Investment Income	8,681,388	10,496,935	496,432	2,363,317	15,669,334
Administrative Expense	(296,150)	(139,492)	(58,279)	(129,721)	—
Benefit Payments	(6,870,098)	(7,064,583)	(6,802,297)	(6,375,115)	(5,888,439)
Net Change in Plan Fiduciary Net Position	7,065,131	7,928,460	(1,707,072)	(203,807)	13,433,742
Plan Fiduciary Net Position - Beginning	110,373,546	102,445,086	104,152,158	104,355,965	90,922,223
Plan Fiduciary Net Position - Ending (b)	117,438,677	110,373,546	102,445,086	104,152,158	104,355,965
Net Pension Liability - Ending [(a) - (b)]	\$ 40,749,965	\$ 42,182,593	\$ 37,760,657	\$ 31,185,083	\$ 29,634,490
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.2%	72.3%	73.1%	77.0%	77.9%
Covered Payroll	\$ 21,656,716	\$ 19,535,316	\$ 18,698,111	\$ 16,887,977	\$ 16,609,778
Net Pension Liability as a Percentage of Covered Payroll	188.2%	215.9%	201.9%	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:

Changes in benefits - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 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 - In 2018, demographic assumptions and inflation rates were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

COUNTY OF SAN BENITO

Schedule of Contributions - Miscellaneous Plan
Last 10 years*

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
Actuarially Determined Contributions	\$ 4,683,347	\$ 4,139,313	\$ 3,630,888	\$ 3,361,566	\$ 2,643,107	\$ 2,335,003
Contributions in Relation to the Actuarially Determined Contributions	(4,683,347)	(4,139,313)	(3,630,888)	(3,361,566)	(2,643,107)	(2,335,003)
Contribution Deficiency (Excess)	—	—	—	—	—	—
Covered Payroll	\$ 20,294,993	\$ 21,656,716	\$ 19,535,316	\$ 18,698,111	\$ 16,887,977	\$ 16,609,778
Contributions as a Percentage of Covered Payroll	23.08%	19.11%	18.59%	17.98%	15.65%	14.06%

*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 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB 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)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.278882%	0.281291%	0.29129%	0.28241%	0.204400%
Proportionate share of the net pension liability	\$ 16,363,570	\$ 16,807,744	\$ 15,056,206	\$ 12,283,792	\$ 12,718,583
Covered Payroll	\$ 6,464,677	\$ 6,127,371	\$ 5,712,124	\$ 5,032,565	\$ 4,639,083
Proportionate share of the net pension liability as percentage of covered payroll	253.12%	274.31%	263.58%	244.09%	274.16%
Plan's fiduciary net position as a percentage of total pension liability	75.51%	73.05%	72.73%	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 - There were no changes to benefit terms that applied to all members of the Safety plan. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 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 - In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes of assumptions. In 2015, the discount rate 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*

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	\$ 2,607,926	\$ 2,425,269	\$ 2,218,718	\$ 2,000,014	\$ 1,614,663	\$ 1,480,209
Contribution in relation to the actuarially determined contributions	\$(2,607,926)	\$(2,425,269)	\$(2,218,718)	\$(2,000,014)	\$(1,614,663)	\$(1,480,209)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —		
Covered Payroll	\$ 6,273,888	\$ 6,464,677	\$ 6,127,371	\$ 5,712,124	\$ 5,032,565	\$ 4,650,125
Contributions as a percentage of covered payroll	41.57%	37.52%	36.21%	35.01%	32.08%	31.83%

*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 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry - Age Normal Cost Method
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB 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, 2014 to the June 30, 2015 funding valuation report.

COUNTY OF SAN BENITO

Schedule of Changes in Net OPEB Liability/(Assets) and Related Ratios - Retiree Healthcare Plan (OPEB)
Last 10 Fiscal Years*

	Reporting Fiscal Year	
	(Measurement Date)	
	2019 (2018)	2018 (2017)
Total OPEB Liability		
Service Cost	\$ 704,029	\$ 657,971
Interest	1,924,449	1,881,943
Changes of benefit terms	-	-
Differences between expected and actual experience	(386,064)	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(1,845,052)	(2,112,439)
Net change in Total OPEB Liability	397,362	427,475
Total OPEB Liability - Beginning	27,710,625	27,283,150
Total OPEB Liability - Ending (a)	<u>28,107,987</u>	<u>27,710,625</u>
Plan Fiduciary Net Position		
Contributions - employer	1,845,052	806,487
Contributions - employee	-	-
Net investment income	1,697,805	2,105,057
Benefit payments, including refunds of member contributions	(1,845,052)	(2,112,439)
Administrative expense	(11,371)	(10,790)
Other expense	(28,221)	-
Net change in Plan Fiduciary Net Position	1,658,213	788,315
Plan Fiduciary Net Position - Beginning	21,335,848	20,547,533
Plan Fiduciary Net Position - Ending (b)	<u>22,994,061</u>	<u>21,335,848</u>
Net OPEB Liability - Ending [(a) - (b)]	<u>5,113,926</u>	<u>6,374,777</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	81.81%	77.00%

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

COUNTY OF SAN BENITO

Schedule of Contributions - Retiree Healthcare Plan (OPEB)
Last 10 years*

	Fiscal Year		
	2019	2018	2017
Actuarially determined contribution	\$ 1,438,409	\$ 1,413,606	\$ 775,313
Contribution in relation to the actuarially determined contributions	2,898,134	1,831,706	806,487
Contribution deficiency (excess)	(1,459,725)	(418,100)	(31,174)

*The amounts presented were determined as of June 30th. This schedule is presented to illustrate information for 10 fiscal 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 Contributions (OPEB):

The actuarial methods and assumptions used to set the actuarially determined contributions are described below:

Valuation Date	June 30, 2018
Actuarial Cost Method	The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.
Expected average remaining service lifetime	4 years
Asset Valuation Method	Investment gains and losses are amortized over a 5-year period
Discount Rate	7%

SUPPLEMENTARY INFORMATION



COUNTY OF SAN BENITO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Fish and Game	Victim Witness	Emergency Medical Services	Migrant Labor Camp	CSWD	Mosquito Abatement	Public Authority
Assets							
Cash and investments in Treasury	\$ 4,475	\$ —	\$ 634,351	\$ 174,210	\$ 301,350	\$ 6,205	\$ 270,191
Restricted assets - cash with fiscal agent	—	—	—	244,988	—	—	—
Receivables	—	127,474	10,356	—	—	—	—
Due from other governments	—	95,830	—	87,406	748,773	—	86,477
Inventories and other assets	—	—	—	120	15,281	—	3,641
Total Assets	4,475	223,304	644,707	506,724	1,065,404	6,205	360,309
Liabilities							
Accounts payable and accrued liabilities	—	11,783	9,174	68,406	167,911	7,255	19,071
Due to other funds	—	258,190	—	—	—	—	—
Due to other agencies	—	—	—	14,054	—	—	—
Deposits from others	—	—	—	9,130	—	—	—
Total Liabilities	—	269,973	9,174	91,590	167,911	7,255	19,071
Deferred Inflows of Resources							
Unavailable revenues	—	187,790	—	87,406	452,675	—	86,477
Fund Balances							
Nonspendable	—	—	—	120	15,281	—	3,641
Restricted	4,475	—	635,533	327,608	429,537	—	251,120
Assigned	—	—	—	—	—	—	—
Unassigned	—	(234,459)	—	—	—	(1,050)	—
Total Fund Balances	4,475	(234,459)	635,533	327,728	444,818	(1,050)	254,761
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,475	\$ 223,304	\$ 644,707	\$ 506,724	\$ 1,065,404	\$ 6,205	\$ 360,309

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

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	County Service Areas	Community Facilities Districts	Substance Abuse	Public Health	Public Safety Realignment	Cal Fire	Family Support
Assets							
Cash and investments in Treasury	\$ 2,851,383	\$ 528,482	\$ 391,937	\$ 2,589,509	\$ 6,493,710	\$ 21,057	—
Imprest cash	—	—	—	50	—	—	—
Receivables	—	—	10,769	—	—	—	879,694
Due from other funds	—	—	—	—	—	—	—
Due from other governments	—	—	416,899	721,629	101,795	—	—
Advances from other funds	—	—	—	—	—	—	—
Inventories and other assets	—	—	—	26,418	—	—	—
Total Assets	<u>2,851,383</u>	<u>528,482</u>	<u>819,605</u>	<u>3,337,606</u>	<u>6,595,505</u>	<u>21,057</u>	<u>879,694</u>
Liabilities							
Accounts payable and accrued liabilities	60,393	6,480	65,156	180,585	—	15	73,904
Due to other funds	—	—	—	—	—	—	607,777
Due to other agencies	—	—	—	—	—	—	—
Advances to other funds	—	—	—	—	—	—	—
Deposits from others	4,316	—	—	—	—	—	—
Unearned revenues	—	—	—	—	—	—	—
Total Liabilities	<u>64,709</u>	<u>6,480</u>	<u>65,156</u>	<u>180,585</u>	<u>—</u>	<u>15</u>	<u>681,681</u>
Deferred Inflows of Resources							
Unavailable revenues	—	—	416,899	392,524	—	—	503,809
Fund Balances							
Nonspendable	—	—	—	26,418	—	—	—
Restricted	2,786,674	522,002	337,550	2,738,079	6,595,505	—	—
Assigned	—	—	—	—	—	21,042	—
Unassigned	—	—	—	—	—	—	(305,796)
Total Fund Balances	<u>2,786,674</u>	<u>522,002</u>	<u>337,550</u>	<u>2,764,497</u>	<u>6,595,505</u>	<u>21,042</u>	<u>(305,796)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,851,383</u>	<u>\$ 528,482</u>	<u>\$ 819,605</u>	<u>\$ 3,337,606</u>	<u>\$ 6,595,505</u>	<u>\$ 21,057</u>	<u>\$ 879,694</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, 2019

	County Fire Impact	Sheriff Equip. Impact	Jail & Juvenile Impact	Habitat Impact	Road Equip. Impr. Impact	Parks/Rec. Impact
Assets						
Cash and investments in Treasury	\$ 821,215	\$ 186,299	\$ 975,739	\$ 1,188,044	\$ 618,612	\$ 3,208,132
Restricted assets - cash with fiscal agent	—	—	—	—	—	—
Imprest cash	—	—	—	—	—	—
Receivables	11,417	—	—	—	—	—
Due from other governments	—	—	411,407	—	—	—
Advances from other funds	—	—	—	—	—	—
Inventories and other assets	—	—	—	—	—	—
Total Assets	832,632	186,299	1,387,146	1,188,044	618,612	3,208,132
Liabilities						
Accounts payable and accrued liabilities	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—
Due to other agencies	—	—	—	—	—	—
Deposits from others	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	—
Deferred Inflows of Resources						
Unavailable revenues	11,417	—	—	—	—	—
Fund Balances						
Nonspendable	—	—	—	—	—	—
Committed	821,215	186,299	1,387,146	1,188,044	618,612	3,208,132
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total Fund Balances	821,215	186,299	1,387,146	1,188,044	618,612	3,208,132
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 832,632	\$ 186,299	\$ 1,387,146	\$ 1,188,044	\$ 618,612	\$ 3,208,132

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

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Santa Ana Storm Drain	Traffic Impact	Library Impact	Information Technology Impact	County Facilities Impact	Inclusionary Housing	Home	Total Special Revenue Funds
Assets								
Cash and investments in Treasury	\$ 1,180,460	\$ 7,508,615	\$ 68,793	\$ 14,263	\$ 141,755	\$ 228,998	\$ 136,168	30,543,953
Restricted assets - cash with fiscal agent	—	—	—	—	—	—	—	244,988
Imprest cash	—	—	—	—	—	—	—	50
Receivables	—	—	—	—	—	—	—	1,039,710
Loan receivable	—	—	—	—	—	—	1,618,969	1,618,969
Due from other governments	—	—	48,226	—	—	—	—	2,718,442
Inventories and other assets	—	—	—	—	—	—	—	45,460
Total Assets	<u>1,180,460</u>	<u>7,508,615</u>	<u>117,019</u>	<u>14,263</u>	<u>141,755</u>	<u>228,998</u>	<u>1,755,137</u>	<u>36,211,572</u>
Liabilities								
Accounts payable and accrued liabilities	—	—	—	—	—	—	—	670,133
Due to other funds	—	—	—	—	—	—	—	865,967
Due to other agencies	—	—	—	—	—	—	—	14,054
Deposits from others	—	—	—	—	—	—	—	13,446
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,563,600</u>
Deferred Inflows of Resources								
Unavailable revenues	—	—	—	—	—	—	—	2,138,997
Fund Balances								
Nonspendable	—	—	—	—	—	—	—	45,460
Restricted	—	—	—	—	—	—	1,755,137	16,383,220
Committed	1,180,460	7,508,615	117,019	14,263	141,755	228,998	—	16,600,558
Assigned	—	—	—	—	—	—	—	21,042
Unassigned	—	—	—	—	—	—	—	(541,305)
Total Fund Balances	<u>1,180,460</u>	<u>7,508,615</u>	<u>117,019</u>	<u>14,263</u>	<u>141,755</u>	<u>228,998</u>	<u>1,755,137</u>	<u>32,508,975</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,180,460</u>	<u>\$ 7,508,615</u>	<u>\$ 117,019</u>	<u>\$ 14,263</u>	<u>\$ 141,755</u>	<u>\$ 228,998</u>	<u>\$ 1,755,137</u>	<u>36,211,572</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, 2019

	Fish and Game	Victim Witness	Emergency Medical Services	Migrant Labor Camp	CSWD	Mosquito Abatement	Public Authority
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 219,817	—
Licenses, Permits and Franchises	—	—	1,700	—	—	—	—
Aid from other governments	—	167,134	—	390,802	4,372,513	—	359,814
Use of money and property	106	(4,214)	10,481	1,669	5,601	(314)	5,413
Fines, forfeitures and penalties	253	—	28,730	—	—	—	—
Charges for services	—	8,280	565,135	230	—	(208)	—
Other revenue	—	—	4,249	6,043	55,484	—	—
Total Revenues	359	171,200	610,295	398,744	4,433,598	219,295	365,227
Expenditures:							
Current:							
Public protection	600	300,552	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—	—
Health and sanitation	—	—	254,984	—	—	243,629	—
Public assistance	—	—	—	339,242	2,586,168	—	451,637
Capital outlay:							
Public protection	—	—	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—	—
Total Expenditures	600	300,552	254,984	339,242	2,586,168	243,629	451,637
Excess (deficiency) of revenues over expenditures	(241)	(129,352)	355,311	59,502	1,847,430	(24,334)	(86,410)
Other Financing Sources (uses):							
Transfers in	—	—	6,855	—	231,053	4,125	—
Transfers out	—	—	(94,650)	(80,232)	(1,296,138)	—	—
Total other financing sources (uses)	—	—	(87,795)	(80,232)	(1,065,085)	4,125	—
Net Change in Fund Balances	(241)	(129,352)	267,516	(20,730)	782,345	(20,209)	(86,410)
Fund balances - beginning of year	4,716	(105,107)	368,017	348,458	(337,527)	19,159	341,171
Fund balances - end of year	\$ 4,475	\$ (234,459)	\$ 635,533	\$ 327,728	\$ 444,818	\$ (1,050)	\$ 254,761

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, 2019

	County Service Areas	Community Facilities Districts	Substance Abuse	Public Health	Public Safety Realignment	Cal Fire	Family Support
Revenues:							
Taxes	\$ 128,207	\$ —	\$ —	\$ —	\$ —	\$ 1,106,735	—
Licenses and permits	—	—	—	—	—	—	—
Aid from other governments	871	—	512,925	3,165,142	2,429,014	7,430	1,697,634
Use of money and property	60,272	8,856	5,585	56,036	149,034	(4,006)	—
Fines, forfeitures and penalties	—	—	12,023	1,531	—	—	—
Charges for services	688,619	490,842	27,454	617,723	—	—	—
Other revenue	—	—	5,812	12,556	—	—	50
Total Revenues	877,969	499,698	563,799	3,852,988	2,578,048	1,110,159	1,697,684
Expenditures:							
Current:							
Public protection	—	—	—	—	25,000	1,868,033	1,767,230
Public ways and facilities	729,948	22,310	—	—	—	—	—
Health and sanitation	—	—	1,363,275	3,838,740	—	—	—
Public assistance	—	—	—	—	—	—	—
Capital outlay:							
Public protection	—	—	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—	—
Total Expenditures	729,948	22,310	1,363,275	3,838,740	25,000	1,868,033	1,767,230
Excess (deficiency) of revenues over expenditures	148,021	477,388	(799,476)	14,248	2,553,048	(757,874)	(69,546)
Other Financing Sources (uses):							
Transfers in	—	—	466,000	—	—	753,869	—
Transfers out	—	—	—	(6,855)	(1,611,461)	—	—
Total other financing sources (uses)	—	—	466,000	(6,855)	(1,611,461)	753,869	—
Net Change in Fund Balances	148,021	477,388	(333,476)	7,393	941,587	(4,005)	(69,546)
Fund balances - beginning of year	2,638,653	44,614	671,026	2,757,104	5,653,918	25,047	(236,250)
Fund balances - end of year	<u>\$ 2,786,674</u>	<u>\$ 522,002</u>	<u>\$ 337,550</u>	<u>\$ 2,764,497</u>	<u>\$ 6,595,505</u>	<u>\$ 21,042</u>	<u>\$ (305,796)</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, 2019

	County Fire Impact	Sheriff Equip Impact	Jail & Juvenile Impact	Habitat Impact	Road Equip. Impr. Impact	Parks/Rec Impact
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—	—	—
Aid from other governments	—	—	—	—	—	—
Use of money and property	15,137	13,651	16,151	25,044	10,361	79,701
Fines, forfeitures and penalties	—	—	—	—	—	—
Charges for services	213,392	253,981	740,809	80,138	238,632	784,920
Other revenue	15,983	—	—	—	—	—
Total Revenues	244,512	267,632	756,960	105,182	248,993	864,621
Expenditures:						
Current:						
Public protection	27,590	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—
Capital outlay:						
Public protection	—	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—
Total Expenditures	27,590	—	—	—	—	—
Excess (deficiency) of revenues over expenditures	216,922	267,632	756,960	105,182	248,993	864,621
Other Financing Sources (uses):						
Transfers in	—	—	—	—	—	—
Transfers out	—	(608,432)	—	—	—	(1,044,939)
Total other financing sources (uses)	—	(608,432)	—	—	—	(1,044,939)
Net Change in Fund Balances	216,922	(340,800)	756,960	105,182	248,993	(180,318)
Fund balances - beginning of year	604,293	527,099	630,186	1,082,862	369,619	3,388,450
Fund balances - end of year	<u>\$ 821,215</u>	<u>\$ 186,299</u>	<u>\$ 1,387,146</u>	<u>\$ 1,188,044</u>	<u>\$ 618,612</u>	<u>\$ 3,208,132</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, 2019

	Santa Ana Storm Drain	Traffic Impact	Library Impact	Information Technology Impact	County Facilities Impact	Inclusionary Housing	Home	Total Special Revenue Funds
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,454,759
Licenses and permits	—	—	—	—	—	—	—	1,700
Aid from other governments	—	—	—	—	—	—	—	13,103,279
Use of money and property	22,116	137,963	105	21	218	738	5,282	621,007
Fines, forfeitures and penalties	—	—	—	—	—	—	—	42,537
Charges for services	271,895	1,593,807	116,914	14,242	141,537	216,000	—	7,064,342
Other revenue	—	—	—	—	—	—	4,500	104,677
Total Revenues	294,011	1,731,770	117,019	14,263	141,755	216,738	9,782	22,392,301
Expenditures:								
Current:								
Public protection	—	—	—	—	—	—	—	3,989,005
Public ways and facilities	—	—	—	—	—	—	—	752,258
Health and sanitation	—	—	—	—	—	—	—	5,700,628
Public assistance	—	—	—	—	—	—	—	3,377,047
Capital outlay:								
Public protection	—	—	—	—	—	—	—	—
Public ways and facilities	—	—	—	—	—	—	—	—
Health and sanitation	—	—	—	—	—	—	—	—
Public assistance	—	—	—	—	—	—	—	—
Recreation and culture	—	—	—	—	—	—	—	—
Total Expenditures	—	—	—	—	—	—	—	13,818,938
Excess (deficiency) of revenues over expenditures	294,011	1,731,770	117,019	14,263	141,755	216,738	9,782	8,573,363
Other Financing Sources (uses):								
Transfers in	—	—	—	—	—	—	—	1,461,902
Transfers out	—	—	—	—	—	—	—	(4,742,707)
Total other financing sources (uses)	—	—	—	—	—	—	—	(3,280,805)
Net Change in Fund Balances	294,011	1,731,770	117,019	14,263	141,755	216,738	9,782	5,292,558
Fund balances - beginning of year	886,449	5,776,845	—	—	—	12,260	1,745,355	27,216,417
Fund balances - end of year	<u>\$ 1,180,460</u>	<u>\$ 7,508,615</u>	<u>\$ 117,019</u>	<u>\$ 14,263</u>	<u>\$ 141,755</u>	<u>\$ 228,998</u>	<u>\$ 1,755,137</u>	<u>\$ 32,508,975</u>

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Use of money or property	\$ —	\$ —	\$ 106	\$ 106
Fines, forfeits and penalties	500	500	253	(247)
Total Revenues	<u>500</u>	<u>500</u>	<u>359</u>	<u>(141)</u>
Expenditures:				
Current:				
Services and supplies	500	600	600	—
Total Expenditures	<u>500</u>	<u>600</u>	<u>600</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>(100)</u>	<u>(241)</u>	<u>(141)</u>
Net change in fund balance	—	(100)	(241)	(141)
Fund balance - beginning of year	<u>4,716</u>	<u>4,716</u>	<u>4,716</u>	<u>—</u>
Fund balance - end of year	<u>\$ 4,716</u>	<u>\$ 4,616</u>	<u>\$ 4,475</u>	<u>\$ (141)</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Victim Witness Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 298,130	\$ 327,070	\$ 167,134	\$ (159,936)
Use of money or property	—	—	(4,214)	(4,214)
Charges for services	—	—	8,280	8,280
Total Revenues	<u>298,130</u>	<u>327,070</u>	<u>171,200</u>	<u>(155,870)</u>
Expenditures:				
Current:				
Salaries and benefits	234,287	248,092	226,294	21,798
Services and supplies	14,905	38,040	33,356	4,684
Other charges	23,000	15,000	15,202	(202)
Indirect costs	25,938	25,938	25,700	238
Total Expenditures	<u>298,130</u>	<u>327,070</u>	<u>300,552</u>	<u>26,280</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>(129,352)</u>	<u>(129,352)</u>
Net change in fund balance	—	—	(129,352)	(129,352)
Fund balance - beginning of year	<u>(105,107)</u>	<u>(105,107)</u>	<u>(105,107)</u>	<u>—</u>
Fund balance - end of year	<u><u>\$ (105,107)</u></u>	<u><u>\$ (105,107)</u></u>	<u><u>\$ (234,459)</u></u>	<u><u>\$ (129,352)</u></u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Emergency Medical Services Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Licenses, permits and franchises	\$ —	\$ —	\$ 1,700	1,700
Use of money or property	—	—	10,481	\$ 10,481
Fines, forfeits and penalties	—	—	28,730	28,730
Charges for services	526,000	526,000	565,135	39,135
Other revenue	57,000	57,000	4,249	(52,751)
Total Revenues	583,000	583,000	610,295	27,295
Expenditures:				
Current:				
Salaries and benefits	177,075	177,075	140,175	36,900
Services and supplies	326,500	326,500	101,636	224,864
Other charges	—	—	6,149	(6,149)
Indirect costs	6,263	6,263	7,024	(761)
Total Expenditures	509,838	509,838	254,984	254,854
Excess (deficiency) of revenues over expenditures	73,162	73,162	355,311	282,149
Other Financing Sources (Uses):				
Transfers in	15,000	15,000	6,855	(8,145)
Transfers out	—	—	(94,650)	(94,650)
Total other financing sources (uses)	15,000	15,000	(87,795)	(102,795)
Net change in fund balance	88,162	88,162	267,516	179,354
Fund balance - beginning of year	368,017	368,017	368,017	—
Fund balance - end of year	\$ 368,017	\$ 368,017	\$ 635,533	\$ 267,516

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Migrant Labor Camp Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 590,321	\$ 590,321	\$ 390,802	\$ (199,519)
Use of money or property	—	—	1,669	1,669
Charges for services	—	—	230	230
Other revenue	—	—	6,043	6,043
Total Revenues	590,321	590,321	398,744	(191,577)
Expenditures:				
Current:				
Salaries and benefits	210,742	210,742	156,615	54,127
Services and supplies	358,555	349,590	173,336	176,254
Other charges	10,000	10,000	(1,569)	11,569
Indirect costs	11,024	11,024	10,860	164
Total Expenditures	590,321	590,321	339,242	251,079
Excess (deficiency) of revenues over expenditures	—	—	59,502	59,502
Other Financing Sources (Uses):				
Transfers out	—	—	(80,232)	(80,232)
Total other financing sources (uses)	—	—	(80,232)	(80,232)
Net change in fund balance	—	—	(20,730)	(20,730)
Fund balance - beginning of year	348,458	348,458	348,458	—
Fund balance - end of year	\$ 348,458	\$ 348,458	\$ 327,728	\$ (20,730)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Community Services Workforce Development (CSWD) Special Revenue Fund
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ 4,267,053	\$ 4,374,212	\$ 4,372,513	\$ (1,699)
Use of money or property	74,172	74,172	5,601	(68,571)
Other revenue	565,841	565,841	55,484	(510,357)
Total Revenues	4,907,066	5,014,225	4,433,598	(580,627)
Expenditures:				
Current:				
Salaries and benefits	1,660,136	1,707,902	1,250,368	457,534
Services and supplies	126,652	152,629	172,429	(19,800)
Other charges	2,947,981	2,981,397	1,094,304	1,887,093
Indirect costs	152,297	152,297	69,067	83,230
Total Expenditures	4,887,066	4,994,225	2,586,168	2,408,057
Excess (deficiency) of revenues over expenditures	20,000	20,000	1,847,430	1,827,430
Other Financing Sources (Uses):				
Transfers in	—	—	231,053	231,053
Transfers out	—	—	(1,296,138)	(1,296,138)
Total other financing sources (uses)	—	—	(1,065,085)	(1,065,085)
Net change in fund balance	20,000	20,000	782,345	762,345
Fund balance - beginning of year	(337,527)	(337,527)	(337,527)	—
Fund balance - end of year	\$ (337,527)	\$ (337,527)	\$ 444,818	\$ 782,345

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Mosquito Abatement Special Revenue Fund
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 215,000	\$ 215,000	\$ 219,817	\$ 4,817
Use of money or property	—	—	(314)	(314)
Charges for services	—	—	(208)	(208)
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>219,295</u>	<u>4,295</u>
Expenditures:				
Current:				
Salaries and benefits	185,487	185,487	181,973	3,514
Services and supplies	49,100	49,100	43,064	6,036
Other charges	10,200	10,200	10,390	(190)
Indirect costs	8,344	8,344	8,202	142
Total Expenditures	<u>253,131</u>	<u>253,131</u>	<u>243,629</u>	<u>9,502</u>
Excess (deficiency) of revenues over expenditures	<u>(38,131)</u>	<u>(38,131)</u>	<u>(24,334)</u>	<u>13,797</u>
Other Financing Sources (Uses):				
Transfers in	5,000	5,000	4,125	(875)
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>4,125</u>	<u>(875)</u>
Net change in fund balance	(33,131)	(33,131)	(20,209)	12,922
Fund balance - beginning of year	<u>19,159</u>	<u>19,159</u>	<u>19,159</u>	<u>—</u>
Fund balance - end of year	<u>\$ 19,159</u>	<u>\$ 19,159</u>	<u>\$ (1,050)</u>	<u>\$ (20,209)</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 County Service Areas (CSAs) Special Revenue Fund
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 743,519	\$ 743,519	\$ 128,207	\$ (615,312)
Aid from other governments	100	100	871	771
Use of money or property	15,517	15,517	60,272	44,755
Charges for services	57,286	57,286	688,619	631,333
Total Revenues	816,422	816,422	877,969	61,547
Expenditures:				
Current:				
Salaries and benefits	43,292	43,292	68,570	(25,278)
Services and supplies	1,242,569	1,242,569	651,722	590,847
Other charges	2,946	2,946	8,770	(5,824)
Indirect costs	1,892	1,892	886	1,006
Total Expenditures	1,290,699	1,290,699	729,948	560,751
Excess (deficiency) of revenues over expenditures	(474,277)	(474,277)	148,021	622,298
Other Financing Sources (Uses):				
Transfers in	60,564	60,564	—	(60,564)
Total other financing sources (uses)	60,564	60,564	—	(60,564)
Net change in fund balance	(413,713)	(413,713)	148,021	561,734
Fund balance - beginning of year	2,638,653	2,638,653	2,638,653	—
Fund balance - end of year	<u>\$ 2,638,653</u>	<u>\$ 2,638,653</u>	<u>\$ 2,786,674</u>	<u>\$ 148,021</u>

Budgetary Comparison Schedule
Community Facilities Districts (CFDs) Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Use of money or property	\$ —	\$ —	\$ 8,856	8,856
Charges for services	150,000	150,000	490,842	\$ 340,842
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>499,698</u>	<u>349,698</u>
Expenditures:				
Current:				
Services and supplies	150,000	150,000	22,310	127,690
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>22,310</u>	<u>127,690</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>477,388</u>	<u>477,388</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>477,388</u>	<u>477,388</u>
Fund balance - beginning of year	<u>44,614</u>	<u>44,614</u>	<u>44,614</u>	<u>—</u>
Fund balance - end of year	<u>\$ 44,614</u>	<u>\$ 44,614</u>	<u>\$ 522,002</u>	<u>\$ 477,388</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Family Support Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 1,954,727	\$ 1,954,727	\$ 1,697,634	\$ (257,093)
Other revenue	—	—	50	50
Total Revenues	1,954,727	1,954,727	1,697,684	(257,043)
Expenditures:				
Current:				
Salaries and benefits	1,610,042	1,610,042	1,429,497	180,545
Services and supplies	200,400	200,400	190,696	9,704
Other charges	85,000	85,000	89,320	(4,320)
Capital assets	—	—	—	—
Indirect costs	59,285	59,285	57,717	1,568
Total Expenditures	1,954,727	1,954,727	1,767,230	187,497
Excess (deficiency) of revenues over expenditures	—	—	(69,546)	(69,546)
Net change in fund balance	—	—	(69,546)	(69,546)
Fund balance - beginning of year	(236,250)	(236,250)	(236,250)	—
Fund balance - end of year	\$ (236,250)	\$ (236,250)	\$ (305,796)	\$ (69,546)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Public Authority Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 300,000	\$ 300,000	\$ 359,814	\$ 59,814
Use of money or property	—	—	5,413	5,413
Other revenue	500	500	—	(500)
Total Revenues	<u>300,500</u>	<u>300,500</u>	<u>365,227</u>	<u>64,727</u>
Expenditures:				
Current:				
Salaries and benefits	201,775	201,775	202,267	(492)
Services and supplies	43,500	43,500	22,172	21,328
Other charges	284,125	284,125	154,954	129,171
Indirect costs	71,100	71,100	72,244	(1,144)
Total Expenditures	<u>600,500</u>	<u>600,500</u>	<u>451,637</u>	<u>148,863</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>(86,410)</u>	<u>213,590</u>
Other Financing Sources (Uses):				
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>—</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>—</u>	<u>(300,000)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>(86,410)</u>	<u>(86,410)</u>
Fund balance - beginning of year	<u>341,171</u>	<u>341,171</u>	<u>341,171</u>	<u>—</u>
Fund balance - end of year	<u>\$ 341,171</u>	<u>\$ 341,171</u>	<u>\$ 254,761</u>	<u>\$ (86,410)</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Substance Abuse Special Revenue Fund
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Aid from other governments	\$ 1,765,409	\$ 1,765,409	\$ 512,925	\$ (1,252,484)
Use of money or property	—	—	5,585	5,585
Fines, forfeits and penalties	—	—	12,023	12,023
Charges for services	10,000	10,000	27,454	17,454
Other revenue	10,000	10,000	5,812	(4,188)
Total Revenues	1,785,409	1,785,409	563,799	(1,221,610)
Expenditures:				
Current:				
Salaries and benefits	1,228,059	1,228,059	900,907	327,152
Services and supplies	252,350	252,350	172,317	80,033
Other charges	267,000	267,000	268,053	(1,053)
Indirect costs	38,000	38,000	21,998	16,002
Total Expenditures	1,785,409	1,785,409	1,363,275	422,134
Excess (deficiency) of revenues over expenditures	—	—	(799,476)	(799,476)
Other Financing Sources (Uses):				
Transfers in	—	—	466,000	466,000
Total other financing sources (uses)	—	—	466,000	466,000
Net change in fund balance	—	—	(333,476)	(333,476)
Fund balance - beginning of year	671,026	671,026	671,026	—
Fund balance - end of year	\$ 671,026	\$ 671,026	\$ 337,550	\$ (333,476)

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Public Health Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Revenues:				
Aid from other governments	\$ 2,891,288	\$ 3,103,001	\$ 3,165,142	\$ 62,141
Use of money or property	—	—	56,036	56,036
Fines, forfeits and penalties	1,000	1,000	1,531	531
Charges for services	730,700	730,700	617,723	(112,977)
Other revenue	1,155,615	1,155,615	12,556	(1,143,059)
Total Revenues	4,778,603	4,990,316	3,852,988	(1,137,328)
Expenditures:				
Current:				
Salaries and benefits	6,018,847	6,094,904	2,555,946	3,538,958
Services and supplies	(1,705,544)	(1,484,358)	970,381	(2,454,739)
Other charges	52,539	87,908	169,508	(81,600)
Capital assets	30,000	30,000	—	30,000
Indirect costs	273,872	278,872	142,905	135,967
Total Expenditures	4,669,714	5,007,326	3,838,740	1,168,586
Excess (deficiency) of revenues over expenditures	108,889	(17,010)	14,248	31,258
Other Financing Sources (Uses):				
Transfers in	1,359,051	1,359,051	—	(1,359,051)
Transfers out	(483,248)	(483,248)	(6,855)	476,393
Total other financing sources (uses)	875,803	875,803	(6,855)	(882,658)
Net change in fund balance	984,692	858,793	7,393	(851,400)
Fund balance - beginning of year	2,757,104	2,757,104	2,757,104	—
Fund balance - end of year	<u>\$ 2,757,104</u>	<u>\$ 2,757,104</u>	<u>\$ 2,764,497</u>	<u>\$ 7,393</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
 Cal Fire Special Revenue Fund
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,355,000	\$ 1,355,000	\$ 1,106,735	\$ (248,265)
Aid from other governments	8,000	8,000	7,430	(570)
Use of money or property	—	—	(4,006)	(4,006)
Total Revenues	<u>1,363,000</u>	<u>1,363,000</u>	<u>1,110,159</u>	<u>(252,841)</u>
Expenditures:				
Current:				
Salaries and benefits	53	53	53	—
Services and supplies	1,845,000	1,845,000	1,559,711	285,289
Capital assets	30,000	34,481	—	34,481
Indirect costs	308,629	308,629	308,269	360
Total Expenditures	<u>2,183,682</u>	<u>2,188,163</u>	<u>1,868,033</u>	<u>320,130</u>
Excess (deficiency) of revenues over expenditures	<u>(820,682)</u>	<u>(825,163)</u>	<u>(757,874)</u>	<u>67,289</u>
Other Financing Sources (Uses):				
Transfers in	<u>820,682</u>	<u>825,163</u>	<u>753,869</u>	<u>(71,294)</u>
Total other financing sources (uses)	<u>820,682</u>	<u>825,163</u>	<u>753,869</u>	<u>(71,294)</u>
Net change in fund balance	—	—	(4,005)	(4,005)
Fund balance - beginning of year	<u>25,047</u>	<u>25,047</u>	<u>25,047</u>	<u>—</u>
Fund balance - end of year	<u>\$ 25,047</u>	<u>\$ 25,047</u>	<u>\$ 21,042</u>	<u>\$ (4,005)</u>

COUNTY OF SAN BENITO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds	Developer Projects Fund	Total Other Governmental Funds
Assets			
Cash and investments in Treasury	\$ 30,543,953	\$ 2,942,134	\$ 33,486,087
Restricted assets - cash with fiscal agent	244,988	—	244,988
Imprest cash	50	—	50
Receivables	1,039,710	—	1,039,710
Loan receivable	1,618,969	—	1,618,969
Due from other governments	2,718,442	56,663	2,775,105
Inventories and other assets	45,460	—	45,460
Total Assets	36,211,572	2,998,797	39,210,369
Liabilities			
Accounts payable and accrued liabilities	670,133	—	670,133
Due to other funds	865,967	—	865,967
Due to other agencies	14,054	—	14,054
Deposits from others	13,446	—	13,446
Total Liabilities	1,563,600	—	1,563,600
Deferred Inflows of Resources			
Unavailable revenues	2,138,997	—	2,138,997
Fund Balances			
Nonspendable	45,460	—	45,460
Restricted	16,383,220	2,998,797	19,382,017
Committed	16,600,558	—	16,600,558
Assigned	21,042	—	21,042
Unassigned	(541,305)	—	(541,305)
Total Fund Balances	32,508,975	2,998,797	35,507,772
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 36,211,572	\$ 2,998,797	\$ 39,210,369

COUNTY OF SAN BENITO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds	Developer Projects Fund	Total Other Governmental Funds
Revenues:			
Taxes	\$ 1,454,759	\$ —	\$ 1,454,759
Licenses and permits	1,700	—	1,700
Aid from other governmental agencies	13,103,279	97,953	13,201,232
Use of money or property	621,007	62,933	683,940
Fines, forfeitures and penalties	42,537	—	42,537
Charges for services	7,064,342	22,106	7,086,448
Other revenue	104,677	—	104,677
Total Revenues	<u>22,392,301</u>	<u>182,992</u>	<u>22,575,293</u>
Expenditures:			
Current:			
Public protection	3,989,005	—	3,989,005
Public ways and facilities	752,258	—	752,258
Health and sanitation	5,700,628	—	5,700,628
Public assistance	3,377,047	—	3,377,047
Capital outlay:			
General government	—	—	—
Public protection	—	—	—
Public ways and facilities	—	—	—
Health and sanitation	—	—	—
Public assistance	—	—	—
Recreation and culture	—	—	—
Total Expenditures	<u>13,818,938</u>	<u>—</u>	<u>13,818,938</u>
Excess (deficiency) of revenues over expenditures	<u>8,573,363</u>	<u>182,992</u>	<u>8,756,355</u>
Other Financing Sources (uses):			
Transfers in	1,461,902	—	1,461,902
Transfers out	(4,742,707)	—	(4,742,707)
Total other financing sources (uses)	<u>(3,280,805)</u>	<u>—</u>	<u>(3,280,805)</u>
Net change in fund balances	5,292,558	182,992	5,475,550
Fund balances - beginning of year	<u>27,216,417</u>	<u>2,815,805</u>	<u>30,032,222</u>
Fund balances - end of year	<u>\$ 32,508,975</u>	<u>\$ 2,998,797</u>	<u>\$ 35,507,772</u>

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Aid from other governments	\$ —	\$ —	\$ 9,102,458	\$ 9,102,458
Use of money or property	—	—	(99,663)	(99,663)
Other revenue	—	—	64,835	64,835
Total Revenues	—	—	9,067,630	9,067,630
Expenditures:				
Current:				
Public protection	—	—	164,310	(164,310)
Public ways and facilities	—	—	109,680	(109,680)
Capital outlay:				
General government	36,717,894	36,717,894	84,313	36,633,581
Public protection	—	—	14,056,054	(14,056,054)
Public ways and facilities	—	—	3,095,175	(3,095,175)
Health and sanitation	—	—	346,911	(346,911)
Public assistance	—	—	1,407,760	(1,407,760)
Total Expenditures	36,717,894	36,717,894	19,264,203	17,453,691
Excess (deficiency) of revenues over expenditures	(36,717,894)	(36,717,894)	(10,196,573)	26,521,321
Other Financing Sources (Uses):				
Issuance of long-term debt-Principal	—	—	7,480,000	7,480,000
Issuance of long-term debt-Premium	—	—	279,887	279,887
Transfers In	45,821,849	46,999,349	6,328,306	(40,671,043)
Transfers Out	—	—	(263,749)	(263,749)
Total other financing sources (uses)	45,821,849	46,999,349	13,824,444	(33,174,905)
Net change in fund balance	9,103,955	10,281,455	3,627,871	(6,653,584)
Fund balance - beginning of year	(1,982,337)	(1,982,337)	(1,982,337)	—
Fund balance - end of year	\$ (1,982,337)	\$ (1,982,337)	\$ 1,645,534	\$ 3,627,871

COUNTY OF SAN BENITO

Budgetary Comparison Schedule
Solid Waste Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Operating Revenues:				
Licenses and permits	\$ 975,000	\$ 975,000	\$ 174,174	\$ (800,826)
Aid from other governmental agencies	49,377	49,377	49,430	53
Charges for services	371,770	371,770	1,340,499	968,729
Other revenue	175,000	175,000	94,891	(80,109)
Total Operating Revenues	<u>1,571,147</u>	<u>1,571,147</u>	<u>1,658,994</u>	<u>87,847</u>
Operating Expenses:				
Salaries & Benefits	156,954	156,954	73,015	83,939
Services & Supplies	922,731	922,731	609,724	313,007
Other Charges	146,729	146,729	—	146,729
Depreciation	233,595	233,595	43,212	190,383
Indirect Costs	24,392	24,392	23,358	1,034
Total Operating Expense	<u>1,484,401</u>	<u>1,484,401</u>	<u>749,309</u>	<u>735,092</u>
Net Operating Income	<u>86,746</u>	<u>86,746</u>	<u>909,685</u>	<u>822,939</u>
Non-operating Revenues (Expense):				
Interest Income	—	—	136,410	136,410
Total Non-Operating Revenues (Expenses)	<u>—</u>	<u>—</u>	<u>136,410</u>	<u>136,410</u>
Income Before Transfers	<u>86,746</u>	<u>86,746</u>	<u>1,046,095</u>	<u>959,349</u>
Transfers In (Out)	<u>332,800</u>	<u>332,800</u>	<u>(6,110)</u>	<u>(338,910)</u>
Change in Net Position	<u>419,546</u>	<u>419,546</u>	<u>1,039,985</u>	<u>620,439</u>
Net Position - Beginning of year	<u>5,502,378</u>	<u>5,502,378</u>	<u>5,828,307</u>	<u>325,929</u>
Net Position - End of Year	<u>\$5,921,924</u>	<u>\$5,921,924</u>	<u>\$6,868,292</u>	<u>\$946,368</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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 109,578,889	\$ 98,439,135	\$ 90,827,410	\$ 92,364,711	\$ 93,870,818	\$ 94,119,963	\$ 92,067,037	\$ 89,058,169	\$ 92,475,014	\$ 91,060,584
Restricted	47,455,029	42,549,306	37,667,368	26,080,558	—	—	—	—	225,314	225,314
Unrestricted	(9,460,037)	(2,901,358)	(4,444,297)	(6,156,652)	(8,761,171)	32,472,292	29,140,032	30,355,364	34,887,387	45,527,244
Total governmental activities net position	\$ 147,573,881	\$ 138,087,083	\$ 124,050,481	\$ 112,288,617	\$ 85,109,647	\$ 126,592,255	\$ 121,207,069	\$ 119,413,533	\$ 127,587,715	\$ 136,813,142
Business-type activities										
Net investment in capital assets	\$ 690,721	\$ 733,933	\$ 777,162	\$ 824,901	\$ 876,192	\$ 947,300	\$ 907,172	\$ 845,725	\$ 596,388	\$ 488,115
Restricted	739,857	724,566	—	131,691	—	—	—	—	—	—
Unrestricted	5,437,714	4,369,808	4,734,924	4,841,667	4,522,364	4,712,390	4,291,455	4,203,473	4,145,519	4,188,533
Total business-type activities net position	\$ 6,868,292	\$ 5,828,307	\$ 5,512,086	\$ 5,798,259	\$ 5,398,556	\$ 5,659,690	\$ 5,198,627	\$ 5,049,198	\$ 4,741,907	\$ 4,676,648
Primary government										
Net investment in capital assets	\$ 110,269,610	\$ 99,173,068	\$ 91,604,572	\$ 93,189,612	\$ 94,747,010	\$ 95,067,263	\$ 92,974,209	\$ 89,903,894	\$ 93,071,402	\$ 91,548,699
Restricted	48,194,886	43,273,872	37,667,368	26,212,249	—	—	—	—	225,314	225,314
Unrestricted	(4,022,323)	1,468,450	290,627	(1,314,985)	(4,238,807)	37,184,682	33,431,487	34,558,837	39,032,906	49,715,777
Total primary government net position	\$ 154,442,173	\$ 143,915,390	\$ 129,562,567	\$ 118,086,876	\$ 90,508,203	\$ 132,251,945	\$ 126,405,696	\$ 124,462,731	\$ 132,329,622	\$ 141,489,790

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

zCOUNTY OF SAN BENITO

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

Fiscal Year Ended June 30,

Expenses (by function)	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities									
General government	15,171,369	7,162,158	4,390,182	4,820,901	6,913,665	2,872,536	3,682,386	9,867,243	6,058,757
Public protection	32,564,040	32,902,965	28,401,251	26,361,016	27,914,449	24,900,347	25,516,934	26,978,343	30,771,788
Public ways and facilities	8,166,811	5,926,687	7,361,125	7,491,909	5,867,005	6,324,848	6,655,356	7,038,005	8,221,996
Health and sanitation	12,108,200	10,939,507	9,459,400	10,509,822	9,576,959	9,513,485	9,926,853	9,658,580	9,504,909
Public assistance	23,480,217	23,462,549	21,653,802	21,563,780	20,714,730	19,623,809	16,677,671	19,450,340	20,428,859
Education	1,020,962	1,129,743	1,059,094	929,498	1,063,203	1,006,320	820,203	839,647	1,557,718
Recreation and culture	193,340	310,166	(1,682)	138,641	220,421	182,163	179,184	437,982	562,217
Debt Service:									
Interest	373,817	—	—	—	1,877	2,924	5,299	13,182	11,896
Total governmental activities expenses	93,078,756	81,833,775	72,323,172	72,272,309	64,426,432	63,463,886	74,283,322	77,118,140	76,521,602
Business-type activities:									
Solid waste	749,309	1,107,482	1,512,811	752,368	(4,428,282)	1,230,478	1,208,059	1,239,238	1,012,760
Total business-type activities expenses	749,309	1,107,482	1,512,811	(4,428,282)	1,230,478	1,208,059	1,239,238	1,012,760	1,036,231
Total Primary Government Expenses	93,828,065	82,941,257	73,835,983	67,844,027	65,656,910	64,671,945	75,522,560	78,130,900	77,557,833
Program Revenues (by function)									
Governmental activities									
Fees, fines and charges for services:									
General government	3,544,313	6,791,954	4,462,502	3,736,463	4,341,391	1,135,198	2,400,487	1,247,423	1,787,088
Public protection	4,630,309	5,469,848	4,575,111	5,020,426	4,886,764	8,593,707	5,683,470	6,375,969	5,988,777
Public ways and facilities	3,616,509	2,073,848	1,554,749	1,429,875	1,161,336	3,800,870	1,145,966	1,512,540	1,045,309
Health and sanitation	1,367,280	1,382,783	1,037,176	842,388	761,028	590,513	611,245	881,440	899,220
Public assistance	325,077	157,622	35,146	30,532	9,255	88,761	16,086	132,347	367,225
Education	160,672	45,156	27,371	31,299	254,356	42,402	31,554	134,701	376,365
Recreation and culture	597,895	675,090	384,454	628,097	264,138	178,408	116,590	108,311	91,736
Operating grants and contributions	50,378,930	49,591,273	46,707,783	48,757,219	43,858,372	34,169,280	36,862,728	38,914,593	40,186,593
Capital grants and contributions	10,284,717	9,329,005	608,538	783,949	1,016,997	5,381,065	3,448,335	1,304,425	1,048,873
Total governmental activities program	74,905,702	75,516,579	59,392,830	56,553,637	53,980,204	50,316,461	50,611,749	51,791,186	50,539,089
Business-type activities:									
Solid Waste									
Charges for services	1,609,564	1,248,606	1,147,041	1,113,071	960,135	1,650,139	1,300,126	1,402,743	1,210,964
Operating grants and contributions	49,430	105,547	41,969	144,683	—	—	—	—	—
Total Business-type activities revenue	1,658,994	1,354,153	1,189,010	1,257,754	960,135	1,650,139	1,300,126	1,402,743	1,210,964
Total Primary Government Program Revenues	76,564,696	76,870,732	60,581,840	57,811,391	54,940,339	51,966,600	51,911,875	53,193,929	51,750,053

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,								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expenses)/Revenue									
Governmental activities	(18,173,05)	(6,317,196)	(12,930,342)	(10,555,319)	(15,718,672)	(10,446,228)	(13,147,425)	(23,671,573)	(25,326,954)
Business-type activities	909,685	246,671	(323,801)	505,386	5,388,417	419,661	92,067	163,505	198,204
Total Primary Net (Expenses)/Revenue	<u>(17,263,36)</u>	<u>(6,070,525)</u>	<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>
	9								
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes	18,063,692	16,947,363	15,895,467	14,904,105	14,163,226	12,451,983	11,987,365	11,350,510	11,894,375
Sales and use taxes	5,683,346	5,998,871	2,456,622	1,641,346	1,500,211	1,390,428	1,517,488	1,391,853	1,258,710
Franchise taxes	696,166	460,374	518,959	527,120	440,703	488,469	421,712	442,047	443,428
Other taxes	877,702	778,007	1,820,181	1,439,178	751,435	764,008	360,818	367,715	300,983
Unrestricted interest and investment earnings	2,130,361	1,345,174	584,998	385,480	222,370	185,960	203,534	461,213	75,720
Miscellaneous	202,391	487,498	1,094,458	1,149,886	2,241,644	550,567	450,045	1,477,376	1,965,192
Transfers	6,110	—	1,345	2,359	5,567,077	—	—	6,678	163,119
Total governmental activities	<u>27,659,768</u>	<u>26,017,287</u>	<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>
Business-type activities:									
Other taxes	—	—	—	—	—	—	—	—	—
Transfers	(6,110)	—	(1,345)	(2,359)	(5,567,077)	—	—	—	(163,119)
Unrestricted interest and investment earnings	136,410	79,168	38,973	18,010	30,198	41,400	57,362	143,786	30,174
Miscellaneous	—	90	—	—	—	—	—	—	—
Total business-type activities	<u>130,300</u>	<u>79,258</u>	<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>
Total Primary Government	<u>27,790,068</u>	<u>26,096,545</u>	<u>20,065,125</u>	<u>19,349,787</u>	<u>15,872,815</u>	<u>14,998,324</u>	<u>15,641,178</u>	<u>15,968,582</u>	<u>17,356,190</u>
Change in Net Position									
Governmental activities	9,486,798	19,700,091	9,441,688	9,494,155	9,167,994	5,385,187	1,793,537	(8,174,181)	(9,225,427)
Business-type activities	1,039,985	325,929	(286,173)	521,037	(148,462)	461,061	149,429	307,291	65,259
Total Primary Government	<u>\$10,526,783</u>	<u>\$ 20,026,020</u>	<u>\$ 10,015,192</u>	<u>\$ 9,019,532</u>	<u>\$ 5,846,248</u>	<u>\$ 1,942,966</u>	<u>\$ (7,866,890)</u>	<u>\$ (9,160,168)</u>	<u>\$ (8,314,808)</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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,063,761
Unreserved	—	—	—	—	—	—	—	—	—	17,435,187
Nonspendable	266,256	207,380	188,314	200,245	126,980	166,047	8,583	503,686	276,138	—
Restricted	3,666,652	2,621,709	2,621,709	2,288,857	—	—	—	—	—	—
Committed	3,449,921	3,000,000	3,000,000	—	—	—	—	—	—	—
Assigned	6,896,074	8,084,194	7,520,751	5,861,125	—	—	1,629,420	1,319,553	—	—
Unassigned	12,793,467	16,534,377	15,578,209	18,986,948	21,724,081	16,342,158	11,599,259	10,741,330	17,290,531	—
Total general fund	<u>27,072,370</u>	<u>30,447,660</u>	<u>28,908,983</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>
All Other Governmental Funds										
Reserved	—	—	—	—	—	—	—	—	—	—
Unreserved, reported in										
Special revenue funds	—	—	—	—	—	—	—	—	—	31,267,815
Capital project fund	—	—	—	—	—	—	—	—	—	—
Nonspendable	164,229	149,720	1,611,936	1,114,335	52,511	63,644	111,752	135,876	111,062	—
Restricted	43,198,769	39,927,597	33,388,341	23,791,701	8,560,596	6,669,584	—	—	—	—
Committed	16,600,558	13,278,063	—	—	—	—	—	—	—	—
Assigned	2,482,114	773,218	12,415,017	16,983,721	19,022,253	16,160,602	24,172,212	25,672,149	27,084,479	—
Unassigned	(541,305)	(2,678,906)	(1,519,639)	(944,534)	(914,430)	(995,944)	(924,913)	(213,777)	—	—
Total all other governmental funds	<u>61,904,365</u>	<u>51,449,692</u>	<u>45,895,655</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>
Total governmental fund balances	<u>\$88,976,735</u>	<u>\$81,897,352</u>	<u>\$74,804,638</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>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Taxes	\$ 25,056,988	\$ 23,700,680	\$ 18,817,375	\$ 17,173,324	\$ 16,855,575	\$ 15,685,513	\$ 152,078,722	\$ 14,444,893	\$ 14,560,800	\$ 15,110,446
Licenses and permits	1,913,968	1,598,127	1,294,916	1,757,688	759,936	988,892	874,270	764,244	890,078	802,321
Aid from other governments	61,522,652	56,157,066	44,205,957	45,379,095	45,484,109	40,239,368	39,942,184	40,498,522	42,392,956	41,790,197
Use of money or property	2,130,361	1,345,174	584,998	385,480	222,370	362,084	398,684	995,570	304,774	643,485
Fines, forfeits and penalties	1,296,516	1,314,162	3,502,470	2,469,281	2,959,499	1,014,266	1,315,372	1,109,556	1,311,104	884,903
Charges for services	11,801,582	9,232,526	8,952,217	8,840,711	7,958,833	8,760,820	6,796,601	7,376,382	7,144,250	5,950,541
Other revenue	683,460	1,102,244	1,214,385	1,561,943	2,241,644	680,371	722,489	913,295	1,116,027	869,279
Total Revenues	104,405,527	94,449,979	78,572,318	77,567,522	76,481,966	67,731,314	65,257,422	66,102,462	67,719,989	66,051,172
Expenditures:										
Current:										
General government	9,774,811	6,085,212	4,118,060	4,555,064	5,967,509	2,863,529	3,750,873	9,713,466	5,186,443	5,848,111
Public protection	32,102,869	31,194,175	29,832,391	27,722,110	27,225,640	24,273,597	25,674,417	26,698,531	32,234,130	28,458,308
Public ways and facilities	3,081,569	2,213,792	2,408,497	2,556,868	2,341,139	2,860,539	4,367,858	3,606,701	4,950,124	4,597,656
Health and sanitation	12,928,640	10,782,934	9,926,197	10,221,039	9,498,738	9,482,653	9,930,586	9,651,858	9,173,126	10,216,601
Public assistance	25,399,738	23,102,274	21,953,883	22,191,427	20,653,942	19,533,009	18,439,911	19,562,543	20,404,239	20,926,997
Education	1,126,439	1,050,265	991,421	904,665	1,045,146	985,158	812,642	791,108	1,456,158	1,046,484
Recreation and culture	135,949	251,366	162,256	142,257	138,010	125,063	581,967	377,356	729,216	193,013
Capital outlay	20,449,431	12,677,247	3,270,659	3,541,440	4,289,142	5,434,064	2,895,373	1,706,788	2,390,945	3,095,496
Debt Service:										
Principal	—	—	—	—	722,000	361,000	361,000	591,000	225,000	210,000
Interest	—	—	—	—	1,877	2,924	5,299	13,182	17,290	16,867
Total Expenditures	104,999,446	87,357,265	72,663,364	71,883,143	65,921,536	66,819,926	72,712,533	76,766,671	74,609,533	77,447,517
Excess (deficiency) of revenues	(593,919)	7,092,714	5,908,954	5,732,652	4,598,823	1,809,778	(1,562,504)	(6,610,071)	(9,046,682)	(8,558,361)
Other Financing Sources (Uses):										
Issuance of LTD - principal	7,480,000	—	—	—	—	—	—	—	—	—
Issuance of LTD - interest	279,887	—	—	—	—	—	—	—	—	—
Transfers in	9,478,659	5,804,321	5,494,600	4,923,670	9,923,805	4,881,133	2,363,061	4,470,443	6,792,657	4,267,633
Transfers out	(9,576,593)	(5,804,321)	(5,493,255)	(4,921,311)	(4,356,728)	(4,881,133)	(2,363,061)	(4,463,765)	(6,629,538)	(4,267,633)
Proceeds from borrowing	—	—	—	—	—	—	—	—	18,790,008	—
Capital leases	11,349	—	25,211	—	—	—	—	—	—	—
Total other financing sources (uses)	7,673,302	—	26,556	5,567,077	—	—	6,678	2,042,127	—	52,668
Net change in fund balances	7,079,383	7,092,714	5,935,510	10,165,900	1,809,778	(1,562,504)	(6,603,393)	(7,004,555)	(8,558,361)	(4,834,967)
Fund balances, beginning of year	81,897,352	74,804,638	68,869,128	62,547,387	38,406,091	36,596,313	38,158,817	44,762,210	51,766,765	60,325,124
Fund balances, end of year	\$ 88,976,735	\$ 81,897,352	\$ 74,804,638	\$ 48,571,991	\$ 38,406,091	\$ 36,596,313	\$ 38,158,817	\$ 44,762,210	\$ 51,766,763	\$ 60,325,124

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			
2019	8,119,329	435,612	180,717	8,735,658	184,123	8,551,535	1.00%
2018	7,540,336	416,732	158,659	8,115,727	178,094	7,937,633	1.00%
2017	6,970,102	417,587	147,464	7,535,153	171,727	7,363,426	1.00%
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%

- 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
2019	107,495,697	105,821,950	98%	N/A	105,821,950	98%
2018	100,683,281	99,144,108	98%	804,547	99,948,655	99%
2017	90,443,837	89,172,281	99%	1,083,179	90,255,460	100%
2016	84,064,227	82,906,000	99%	963,522	83,869,523	100%
2015	77,259,690	76,200,565	99%	916,105	77,116,670	100%
2014	71,540,713	70,535,083	99%	907,737	71,442,820	100%
2013	67,648,211	66,400,726	98%	1,111,049	67,511,775	100%
2012	68,224,241	66,178,276	97%	1,793,738	67,972,014	100%
2011	69,133,645	66,871,670	97%	2,093,083	68,964,753	100%
2010	72,320,271	68,747,433	95%	3,247,024	71,994,456	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			
2019	1.000	n/a	0.0692	0.1661	—	0.2718		
2018	1.000	n/a	0.0705	0.1514	—	0.2727		
2017	1.000	n/a	0.0498	0.1330	—	0.2739		
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

Source: San Benito County Auditor

COUNTY OF SAN BENITO

Principal Property Taxpayers
June 30, 2019 and June 30, 2018
(in millions)

Fiscal Year Ended June 30, 2019

Taxpayer	Assessed Value
Pacific Gas & Electric Co.	153.7
Granite Rock Co.	87.7
Natural Selection Foods LLC	84.4
McCormick Selph Inc. A Calif Corp	30.9
Stone Canyon Ranch LLC	28.8
Award Homes Inc. A CA Corp	21.6
Clearist Park Inc A Calif Corp	18.4
Northpointe Associates LLC	20.6
9351 Fairview LLC A CA LTD LIAB Co	19
TLF-SJB LLC A CALIF LTD LIAB Co	18.7

Fiscal Year Ended June 30, 2018

Taxpayer	Assessed Value
Pacific Gas & Electric Co.	129.3
Natural Selection Foods LLC	82.7
Granite Rock Co.	77.5
McCormick Selph Inc. A Calif. Corp	30
Stone Canyon Ranch LLC	28.2
Award Homes Inc. A CA Corp	21.1
9351 Fairview LLC A CA LTD LIAB Co	24.8
Clearist Park Inc A Calif Corp	18.0
Northpointe Associates LLC	20.1
Delicato Vineyards A CA Corp	19.4

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
2018-19	—	—	—	8,551,535	0.00%	62,296	—
2017-18	—	—	—	7,937,633	0.00%	57,088	—
2016-17	—	—	—	7,363,427	0.00%	56,854	—
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

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 2006-2018 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
2018-19	—	—	—	6,255,277	0.00%
2017-18	—	—	—	5,871,065	0.00%
2016-17	—	—	—	4,820,901	0.00%
2015-16	—	—	—	6,913,665	0.00%
2014-15	—	—	—	2,872,536	0.00%
2013-14	—	—	—	3,682,386	0.00%
2012-13	—	—	—	9,867,243	0.00%
2011-12	230,000	5,060	235,060	5,186,443	4.53%
2010-11	225,000	17,290	242,290	5,848,111	4.14%
2009-10	210,000	16,867	226,867	8,473,325	2.68%

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									
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Governmental Activities:										
Capital Leases	8,222	105	—	—	—	—	—	18	77	120
Certificates of Participation	—	—	—	—	—	—	235	455	665	870
Total Governmental Activities	8,222	105	—	—	—	—	235	473	742	990
Business-type Activities:										
Landfill Closure & Post-closure	—	—	—	5,032	4,818	4,521	4,304	4,189	3,948	3,435
Total Business-type Activities	—	—	—	5,032	4,818	4,521	4,304	4,189	3,948	3,435
Total Primary Government	8,222	105	—	5,032	4,818	4,521	4,539	4,662	4,690	4,425
Percentage of Personal Income	248.25%	0.00%	0.00%	0.21%	0.22%	0.21%	0.22%	0.23%	0.22%	0.21%
Per Capita	132	2	—	86	83	79	80	83	85	76
Personal Income (thousands) (for PPI)	3,312,046	3,096,482	2,565,863	2,417,263	2,239,632	2,163,948	2,049,854	2,005,922	2,160,668	2,133,673
Population (per capita)	62,296	57,088	56,648	58,344	57,993	57,146	56,643	55,948	55,332	58,016

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 2009-10 through 2018-19 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		
2018-19	8,551,535	427,577			—	427,577	0.00%
2017-18	7,937,633	396,882			—	396,882	0.00%
2016-17	7,363,427	368,171			—	368,171	0.00%
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%

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Population (a)	61,537	60,310	59,414	58,792	58,267	57,594	56,871	56,174	55,532	54,436
Personal Income (In thousands) (a)	3,312,046	3,096,482	2,756,362	2,565,863	2,417,263	2,279,346	2,138,209	2,039,927	1,918,978	1,909,403
Per Capita Personal Income (a)	53,822	51,343	46,392	43,643	41,486	39,576	37,598	36,314	34,556	35,076
County Unemployment Rate (b)	5.8%	6.1%	6.4%	7.6%	9.3%	11.1%	13.1%	14.5%	15.1%	14.0%

Notes:

(a) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income, Revised as of 11-14-2019

(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
2018	116,096,780	91.24%	319	117.01%
2017	60,706,055	-12.04%	147	-46.35%
2016	69,018,597	108.06%	274	78.10%
2015	55,716,190	-18.81%	187	-26.57%
2014	26,778,577	227.54%	105	248.78%
2013	32,983,998	11.51%	143	28.13%
2012	10,070,188	-10.34%	41	-31.91%
2011	9,030,401	-11.33%	32	17.50%
2010	10,071,340	142.79%	47	110.53%
2009	11,357,787	-60.21%	40	-38.71%

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	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
General Government											
101.10.1000	Board of Supervisors	5.0	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	2.0	4.0	2.0	3	1.8	1.8	2.0	2.0	2.0	2.0
101.15.1010	County Administrative Officer	6.0	4.0	5.0	4.0	4	2.8	3.2	3.8	3.8	3.8
101.15.1065	Information Technology	4.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0	4.0
101.15.1075	GIS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1	0.5	0.2
101.25.1210	County Counsel	6.0	5.0	3.0	4	3.8	3.7	6.0	6.0	7.0	7.0
101.20.1145	County Auditor	10.0	11.0	9.0	9.7	9.8	7.5	10.7	11.7	11.7	11.1
101.30.1155	Treasurer	3.0	3.0	3.0	3	2.8	2.8	2.8	2.8	2.8	2.8
101.35.1170	Assessor	21.0	17.0	17.0	13.0	10.0	10.0	15.0	15.0	15.0	15.0
101.30.1160	Tax Collector	3.0	3.0	3.0	5	3.3	2.8	3.3	4.3	4.3	4.3
101.15.1080	Internal Services	4.0	4.0	3.0	2	3.5	2.8	3.8	4.5	4.5	3.8
101.20.1115	Elections	3.0	3.0	2.0	0.9	2.8	2.8	3.3	3.3	3.1	3.8
101.70.1290	Buildings & Grounds Maintenance	4.0	4.0	2.0	1.8	1.8	3.4	4.5	5.7	5.7	5.2
101.20.1140	Risk Management	—	—	—	—	—	0.5	0.5	0.5	0.5	0.5
Total General Government		72	60	57.4	54.5	50.6	65.9	70.4	70.7	68.3	69.0
Public Protection											
101.45.1205	District Attorney	12.0	11.0	12	11.0	9.0	9.0	11	12.5	13.5	13.5
101.40.1175	Sheriff's Operations	31.0	32.0	34	27.0	23	21.5	30.3	36.5	36.5	40.5
101.15.1035	Marshal's Office	—	—	—	—	—	—	—	1.8	1.8	1.8
101.40.1180	Communications	—	—	—	1	—	—	14.8	15.5	17	19.5
101.40.1195	Jail	27.0	26.0	25	24	25.5	24.5	25.5	30.5	30.5	32.5
101.50.1215	Probation	24.0	24.0	22	19.0	18.0	18.0	17	19.5	19.5	22.5
101.50.1220	Juvenile Hall	13.0	11.0	12	9.0	12.0	12.0	13.0	13.0	13.0	13.0
101.50.1225	Gang Prevention Program	—	1.0	—	2	1.8	2.0	2.0	2.0	1	—
101.60.1250	Agricultural Commissioner & Sealer of Weights and Measures	7.0	7.0	8	6	6.6	6.6	7.0	7	7.3	8.0
101.20.1120	County Clerk	1.0	—	1	3	0.5	0.2	1.2	1.2	1.8	2.0
101.20.1125	County Recorder	5.0	4.0	4	1.5	3	0.4	2.9	3.9	3.9	7.1
101.15.1045	Office of Emergency Services	2.0	2.0	2	2.0	1.0	1	1.5	1.5	2	1.5
101.65.1265	Planning	6.0	8.0	10	6.0	5.0	5.0	9.0	11	10.9	14.4
101.65.1270	Housing & Economic Development	—	—	—	—	1.0	1.0	1.0	1.0	1.0	1.0
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
229.85.2530	Child Support Services	17.0	16.0	18	19.0	19.0	21.0	19.0	20.0	21.0	24.0
251.45.2980	Victim Witness Program	3.0	3.0	2	1.0	1.0	1.0	1.0	1.0	1.0	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	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
252.40.2990	UNET Anti-Drug Task Force	—	—	—	—	—	—	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
261.60.3050	Mosquito Abatement	—	1	1	2.0	1.5	1.4	1.4	1.4	1.2	1.5
	Total Public Protection	148	151	135.5	129.6	126.1	159.0	183.3	186.8	207.6	204.5
	Public Ways and Facilities										
101.70.1295	PW Administration & Engineering	13	9	9	7.0	5.3	4.5	5.5	7.8	9.1	9.4
210.70.2010	Road Maintenance	11	14	15	15.0	20.4	20.1	20.1	21.3	20.0	22.8
101.15.1090	Council of Governments (COG)	8	7	7	8.0	8.0	8.0	8.0	8.0	9.5	9.5
270.70.3080	CSA Maintenance & Operations	—	—	—	—	—	1.1	1.1	1.8	1.8	3.2
	Total Public Ways and Facilities	32	31.0	30.0	33.6	33.7	34.6	38.8	40.4	44.9	43.4
	Health and Sanitation										
228.90.2520	Mental Health	40	39	40	39.0	43.3	42.3	42.3	42.3	42.3	36.5
230.90.2540	Substance Abuse Treatment Program	7	7	7	10.0	11.8	11.8	11.8	11.8	11.8	8.8
224.80.2370	Public Health Programs	17	25	20	25.0	19.9	18.7	20.7	24.5	27.6	36.8
301.75.3800	Integrated Waste Management & Resource Recovery	1	1	1	—	2.0	2.0	2.3	2.3	2.3	2.2
	Total Health and Sanitation	65	68.0	74.0	77.0	74.7	77.0	80.8	83.9	84.2	84.5
	Public Assistance										
221.80.2285	Human Services Agency	83	124	111	98.0	81.0	70.5	71.5	72.3	67.5	69.0
222.80.2360	In-Home Supportive Services Public Authority	2	3	3	2.0	1.0	1.0	2.0	2.0	1.5	1.5
227.15.2475	Emergency Medical Services	2	2	2	3.0	3.0	3.0	3.0	3.0	3.0	1.3
240.80.2555	C.S.W.D. Department	12	9	10	23.0	8.0	8.3	10.3	13.0	13.3	9.8
256.80.3030	Migrant Labor Housing Center	2	2	3	4.0	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	1	—	—	—	—	—	—	—
	Total Public Assistance	101	130.0	132.0	98.0	87.8	92.8	96.3	91.3	87.5	81.3
	Education										
101.55.1235	County Library	9	7	6	6.0	5.0	5.0	7.5	8.0	8.5	9.0
101.15.1110	Ag Extension / Farm Advisor	—	—	—	—	—	—	—	0.8	1.0	1.0
	Total Education	9	6.0	6.0	5.0	5.0	7.5	8.8	9.5	10.0	10.0
	Recreation and Culture										
101.70.1300	Veterans Memorial Park	1	0.5	0.5	0.6	0.7	0.9	0.9	0.9	0.9	1.2
101.70.1305	Parks	—	0.5	0.5	0.6	0.7	0.7	0.7	0.9	0.9	1.2
	Total Recreation and Culture	1	1	1.2	1.4	1.6	1.6	1.8	1.8	2.3	2.3
	Total Positions	428	447.0	436.0	399.0	379.3	438.3	480.0	484.4	504.9	494.9