

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2018



# CAFR

## Comprehensive Annual Financial Report

The CAFR is comprised of three sections:

➤ Introduction section

- Cover page
- Table of contents
- Org chart
- List of elected and appointed officials

➤ Financial section

- Independent auditor's report
- Management Discussion and Analysis (MD&A)
- Basic financial statements
- Note to the basic financial statements
- Required Supplementary Information (RSI)
- Supplementary Information

➤ Statistical section

- Financial trends
- Property tax
- Demographics and economic information
- FTE's by department by fiscal year

# SEFA

## Schedule of Expenditures of Federal Awards

- The SEFA reports total amount of federal awards expensed in a given fiscal year.
- Federal awards are received either directly or as pass-through awards from State and local agencies.
- An auditee requires a Single Audit when federal expenditures exceed \$750,000 during a reporting period.
  - Historically the County has exceeded this threshold; in FY17/18 the County's federal expenditures exceeded \$15.6 million.

# Basic Financial Statements

- Government-wide financial statements: reported using the accrual basis of accounting.
  - The accrual basis of accounting recognizes the financial effect of events that impact an entity during the accounting period, regardless of whether cash was received or spent.
- Governmental Fund financial statements: reported using the modified accrual basis of accounting.
  - The modified accrual basis of accounting recognizes revenue in the period they become available and measureable, and expenditures in the period the associated liability is incurred.
- Proprietary Fund and Fiduciary Fund financial statements: reported using the accrual basis of accounting.

# County of San Benito

## FY 17/18 CAFR

- CAFR and Single Audit report were submitted to the California State Controller's Office, and to the Federal Audit Clearinghouse, on March 29, 2019.
- For the FY 17/18 CAFR, CliftonLarsonAllen, LLP (CLA) issued an *unmodified* opinion.
  - the financial statements present fairly, in all material respects, the financial position of the government, in accordance with generally accepted accounting principles in the United States of America.

# Governmental Funds

## financial highlights

- Aid from other governments increased by 27% (approx. \$12 million), \$5.6 million of which represents State funding for construction of the adult detention facility.
- Capital outlay expenditures increased by 287.3%, or \$9.4 million, \$8.4 million of which is due to construction costs for the adult detention facility (Jail).
- Governmental funds combined fund balance totaled \$81.9 million, an increase of \$7.1 over the previous fiscal year.

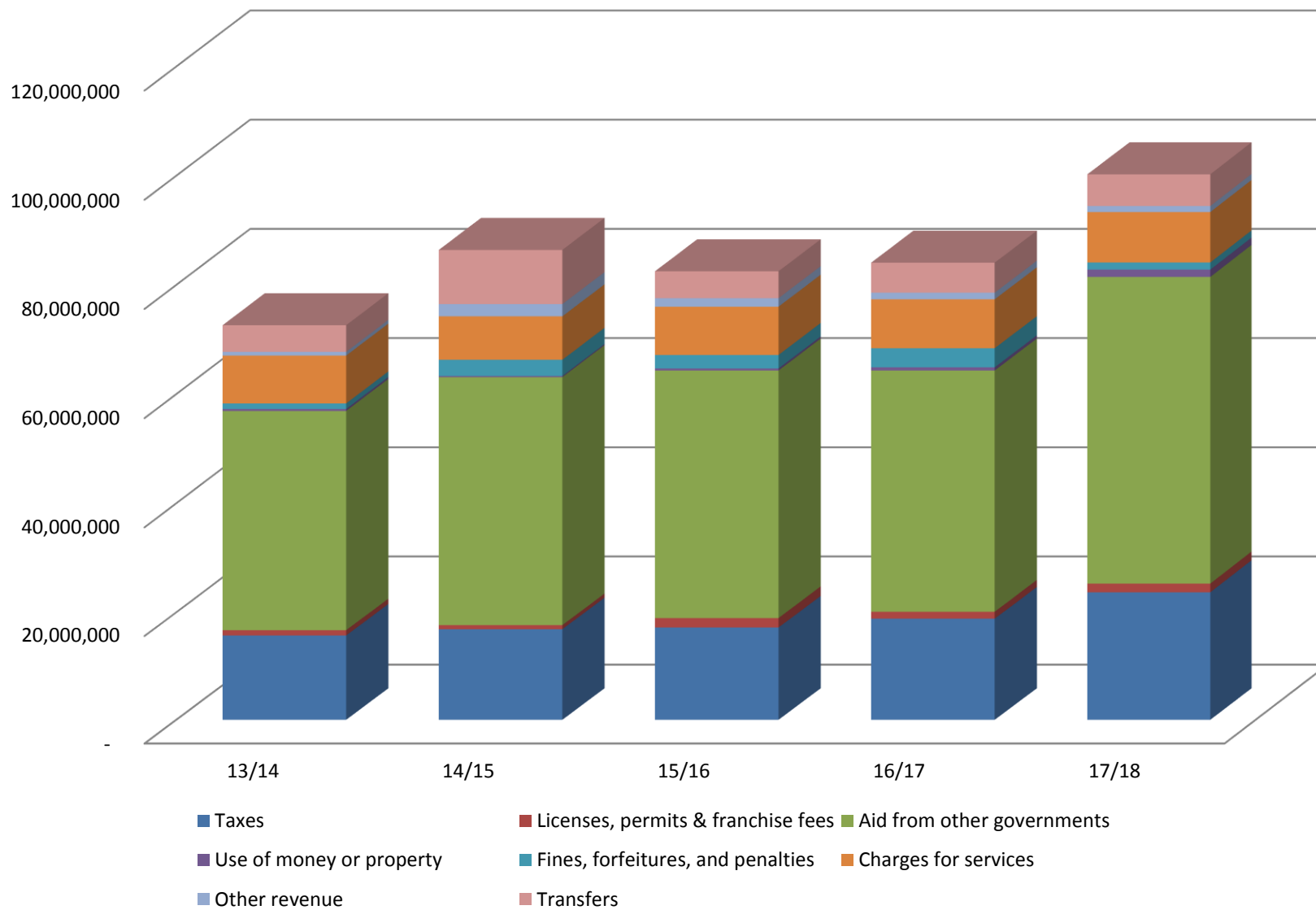
Revenues Classified by Source  
(in thousands)

	FY 2018		FY 2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 23,701	25.1%	\$ 18,817	23.9%	\$ 4,883	26.0 %
Licenses and permits	1,598	1.7%	1,295	1.6%	303	23.4 %
Aid from other governments	56,157	59.5%	44,206	56.3%	11,951	27.0 %
Use of money or property	1,345	1.4%	585	0.7%	760	129.9 %
Fines, forfeits, and penalties	1,314	1.4%	3,502	4.5%	(2,188)	(62.5)%
Charges for services	9,233	9.8%	8,952	11.4%	280	3.1 %
Other revenue	1,102	1.2%	1,214	1.5%	(112)	(9.2)%
Total	<u>\$ 94,450</u>	<u>100%</u>	<u>\$ 78,572</u>	<u>100%</u>	<u>\$ 15,878</u>	<u>20.2 %</u>

Expenditures by Function  
(in thousands)

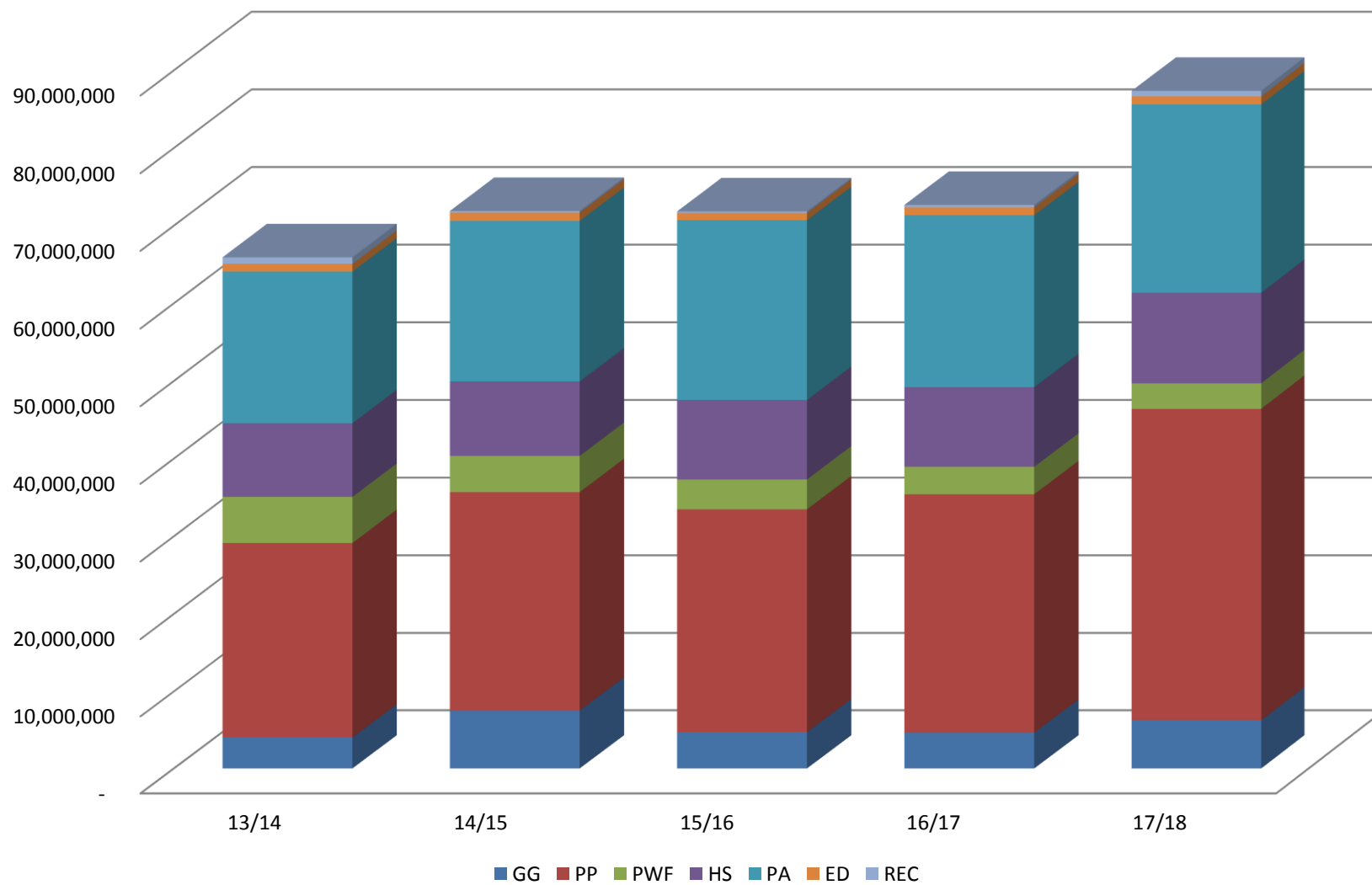
	FY 2018		FY 2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 6,085	7.0%	\$ 4,118	5.7%	\$ 1,967	48 %
Public protection	31,194	35.7%	29,832	41.1%	1,362	4.6 %
Public ways and facilities	2,214	2.5%	2,408	3.3%	(195)	(8.1)%
Health and sanitation	10,783	12.3%	9,926	13.7%	857	8.6 %
Public assistance	23,102	26.4%	21,954	30.2%	1,148	5.2 %
Education	1,050	1.2%	991	1.4%	59	6.0 %
Recreation and cultural services	251	0.3%	162	0.2%	89	54.9 %
Capital outlay	12,677	14.5%	3,271	4.5%	9,407	288 %
Total	<u>\$ 87,357</u>	<u>100%</u>	<u>\$ 72,663</u>	<u>100%</u>	<u>\$ 14,694</u>	<u>20.2 %</u>

## Revenues by classification





## Expenditures by function



# General Fund

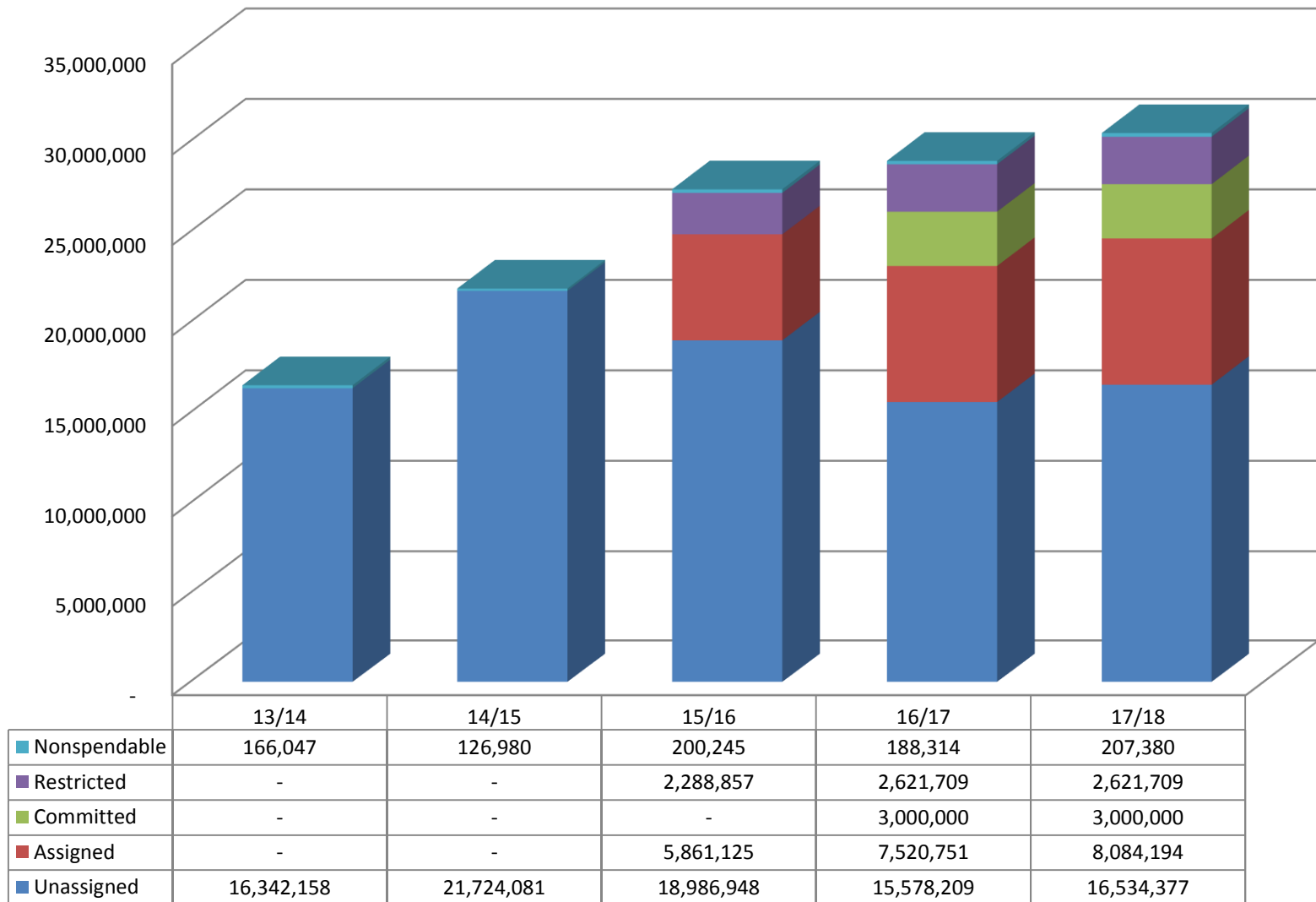
## financial highlights

- Taxes experienced a 26% increase (approx. \$5 million), partially contributed by to a one-time payment of \$2.5 million in-lieu of sales tax in the General Fund.
- Operating expenditures (non-capital) increased by \$1.9 million in General Government and \$1.1 million in Public Protection primarily due to an increase in outside consulting services.
- At June 30, 2018, unassigned fund balance totaled \$16.5 million, while the total fund balance totaled \$30.4 million.

# General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance

FY 2015/2016		FY 2016/2017		FY 2017/2018	
	General		General		General
<b>Revenues:</b>		<b>Revenues</b>		<b>Revenues</b>	
Taxes	\$ 15,965,201	Taxes	\$ 17,511,984	Taxes	\$ 22,292,404
Licenses, permits and franchises	1,757,688	Licenses, permits and franchises	1,294,916	Licenses, permits and franchises	1,598,127
Aid from other governments	6,871,155	Aid from other governments	6,867,855	Aid from other governments	7,080,331
Use of money or property	242,783	Use of money or property	226,788	Use of money or property	642,133
Fines, forfeits and penalties	2,437,425	Fines, forfeits and penalties	3,134,899	Fines, forfeits and penalties	1,271,952
Charges for services	4,603,211	Charges for services	4,979,369	Charges for services	4,783,506
Other revenue	428,857	Other revenue	413,610	Other revenue	764,150
<b>Total Revenues</b>	<b>32,306,320</b>	<b>Total Revenues</b>	<b>34,429,421</b>	<b>Total Revenues</b>	<b>38,432,603</b>
<b>Expenditures:</b>		<b>Expenditures</b>		<b>Expenditures</b>	
Current:		Current		Current	
General government	4,555,064	General government	4,118,060	General government	6,085,212
Public protection	24,623,181	Public protection	26,873,672	Public protection	28,057,189
Public ways and facilities	—	Public ways and facilities	—	Public ways and facilities	—
Health and sanitation	—	Health and sanitation	—	Health and sanitation	—
Public assistance	667,751	Public assistance	577,047	Public assistance	532,125
Education	904,665	Education	991,421	Education	1,050,265
Recreation and culture	142,257	Recreation and culture	162,256	Recreation and culture	251,366
Capital outlay		Capital outlay		Capital outlay	
General government	21,066	General government	77,808	General government	48,853
Public protection	840,068	Public protection	601,798	Public protection	327,232
Public ways and facilities	—	Public ways and facilities	—	Public ways and facilities	—
Health and sanitation	—	Health and sanitation	—	Health and sanitation	—
Public assistance		Public assistance		Public assistance	
Education	24,120	Education	21,500	Education	
Recreation and culture	—	Recreation and culture	—	Recreation and culture	
<b>Total Expenditures</b>	<b>31,778,172</b>	<b>Total Expenditures</b>	<b>33,423,562</b>	<b>Total Expenditures</b>	<b>36,352,242</b>
Excess (deficiency) of revenues over expenditures	528,148	Excess (deficiency) of	1,005,859	Excess (deficiency) of revenues over expenditures	2,080,361
<b>Other Financing Sources (Uses):</b>		<b>Other Financing Sources (Uses)</b>		<b>Other Financing Sources/(Uses)</b>	
Transfers in	1,405,877	Transfers in	1,957,068	Transfers in	1,277,106
Transfers out	(609,875)	Transfers out	(1,416,330)	Transfers out	(1,818,790)
<b>Total other financing sources (uses)</b>	<b>796,002</b>	<b>Total other financing sources</b>	<b>565,949</b>	<b>Total other financing sources/(uses)</b>	<b>(541,684)</b>
<b>Net change in fund balances</b>	<b>1,324,150</b>	<b>Net change in fund balances</b>	<b>1,571,808</b>	<b>Net change in fund balances</b>	<b>1,538,677</b>
Fund balances - beginning of year, as restated	26,013,025	Fund balances - beginning of year,	27,337,175	Fund balances - beginning of year	28,908,983
Fund balances - end of year	\$ 27,337,175	Fund balances - end of year	\$ 28,908,983	Fund balances - end of year	\$ 30,447,660

## General Fund - fund balance (5 years)



## Governmental Funds - fund balance by classification

