



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 3.C

MEETING DATE: 05/13/2025

DEPARTMENT: AUDITOR/CONTROLLER

AGENDA ITEM PREPARER: Joe Paul Gonzalez

DEPT HEAD/DIRECTOR: Joe Paul Gonzalez

SUBJECT:

AUDITOR-CONTROLLER - J.P. GONZALEZ

Receive an informational presentation on the County of San Benito Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

SBC FILE NUMBER: 608

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

Counties prepare an **Annual Comprehensive Financial Report (ACFR)** to provide a comprehensive overview of their financial condition and performance for the fiscal year. The primary purposes include:

1. Accountability and Transparency:
 - The ACFR ensures that the government is accountable to taxpayers, bondholders, and other stakeholders by disclosing how public funds were collected, managed, and spent.
2. Compliance with GAAP and GASB:
 - It adheres to Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidelines, ensuring uniform financial reporting across governments.
3. Financial Analysis and Decision-Making:
 - The report includes financial statements, management's discussion and analysis (MD&A), and statistical data, enabling stakeholders to assess financial stability, budgetary compliance, and economic condition.

4. Creditworthiness and Bond Ratings:
 - Credit rating agencies use the ACFR to evaluate financial health and assess risk before issuing bond ratings, impacting borrowing costs.
5. Historical Record and Trend Analysis:
 - The ACFR serves as a comprehensive record of financial activities, allowing for year-over-year comparisons and long-term financial planning.

Key Components of an Annual Comprehensive Financial Report (ACFR):

An ACFR is divided into three main sections: Introductory, Financial, and Statistical. Here's a detailed breakdown:

1. Introductory Section:

Provides context, structure, and key contacts. It typically includes:

- Title Page and Table of Contents
- Letter of Transmittal: Overview of the report, major initiatives, and economic conditions
- Organizational Chart: Structure of the government entity and key departments
- List of Principal Officials: Key elected and appointed officials
- GFOA Certificate of Achievement (if applicable): Indicates the report meets established accounting and financial reporting standards

2. Financial Section:

This is the core section and includes detailed financial statements and notes. It consists of:

- Independent Auditor's Report: External auditor's opinion on the financial statements' accuracy and compliance with GAAP
- Management's Discussion and Analysis (MD&A): Narrative overview of the financial activities and major financial events of the year

Basic Financial Statements:

- Government-Wide Financial Statements:
 - Statement of Net Position (Assets, Liabilities, and Net Position)
 - Statement of Activities (Revenues, Expenses, and Changes in Net Position)
- Fund Financial Statements:
 - Governmental Funds (e.g., General Fund, Special Revenue Funds)
 - Proprietary Funds (e.g., Enterprise and Internal Service Funds)
 - Fiduciary Funds (e.g., Pension Trust Funds, Agency Funds)
- Notes to the Financial Statements:
 - Detailed explanations of accounting policies, pension obligations, long-term debt, contingencies, and other key data

Required Supplementary Information (RSI):

- Budgetary comparison schedules
- Pension and OPEB schedules
- Other financial schedules required by GASB

Combining and Individual Fund Statements and Schedules:

- Additional detail for non-major funds and other components not presented in the main financial statements

3. Statistical Section:

Provides financial, demographic, and economic data to illustrate long-term trends and context. Common sections include:

- Financial Trends: 10-year trend data for net position, fund balances, and revenue/expenditure comparisons
- Revenue Capacity: Information on major revenue sources (e.g., property taxes, sales taxes)
- Debt Capacity: Analysis of outstanding debt, debt ratios, and legal debt margins
- Demographic and Economic Information: Population statistics, employment data, and key economic indicators
- Operating Information: Data on staffing levels, operating costs, and service demand

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

N/A

CONTRACT NEEDED FOR THIS ITEM:

N/A

RFP AND BID HISTORY:

N/A

LAST CONTRACT AMOUNT OR N/A:

N/A

CONTRACT HISTORY (Describe all amendments and previous contracts):

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

Yes

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

Yes

STRATEGIC PLAN GOALS: 3. Technology

Yes

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

Yes

BUDGETED:

N/A

BUDGET ADJUSTMENT NEEDED:

N/A

SOURCE OF FUNDING:

General Fund

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

101.20.1145.1000

CURRENT FY COST:

N/A

STAFF RECOMMENDATION:

Receive an informational presentation on the County of San Benito Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

ATTACHMENTS:

[Presentation ACFR](#)

[2024 ACFR County of San Benito FINAL](#)