



Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2004
(In Thousands)**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget- Pos (Neg)
	Original	Final		
Revenues:				
Taxes	\$ 415,657	415,657	457,062	41,405
Licenses, permits and franchises	31,993	31,993	31,233	(760)
Fines, forfeitures and penalties	35,004	42,516	40,363	(2,153)
Revenue from use of money and property	17,074	16,635	13,872	(2,763)
Aid from other governmental agencies:				
State	878,346	885,398	649,829	(235,569)
Federal	461,396	519,191	588,815	69,624
Other	52,037	53,746	57,442	3,696
Charges for current services	227,948	230,284	246,381	16,097
Other revenue	26,134	44,648	32,058	(12,590)
Total revenues	2,145,589	2,240,068	2,117,055	(123,013)
Expenditures:				
Current:				
General:				
Board of supervisors district # 1	983	1,569	1,387	182
Board of supervisors district # 2	1,049	1,509	1,403	106
Board of supervisors district # 3	970	1,541	1,430	111
Board of supervisors district # 4	986	1,412	1,284	128
Board of supervisors district # 5	1,072	1,685	1,372	313
Board of supervisors general office	917	1,058	1,014	44
Clerk of the board of supervisors	5,720	6,862	6,029	833
CAC major maintenance	1,067	1,581	1,372	209
Chief administrative office	3,877	4,951	4,757	194
Community enhancement	3,034	3,034	3,033	1
Community projects	11,117	7,881	7,877	4
Community services	5,850	8,669	2,422	6,247
Land use and environment	413	484	413	71
Financing and general government group	19,701	19,046	12,522	6,524
Auditor and controller	28,670	38,146	37,770	376
Assessor/recorder/county clerk	28,592	41,415	41,415	
Treasurer/tax collector	14,347	18,438	18,289	149
County counsel	16,758	25,937	24,942	995
Human resources	19,185	24,846	22,923	1,923
Civil service commission	327	448	448	
Register of voters	8,445	43,359	14,907	28,452
County technology office	7,318	9,403	8,447	956
Countywide general expense	11,846	27,034	1,351	25,683
Contribution to capital outlay		129		129
Contingency reserve	11,000	8,000		8,000
Department of public works	508	508	508	
Health and human services agency	2,413	3,166	2,546	620
Total general	\$ 206,165	302,111	219,861	82,250

(Cont)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2004
(In Thousands)**

	<u>Budgeted Amounts</u>		Actual	(Cont)
	Original	Final	Amounts	Variance
			Budgetary	with Final
			Basis	Budget-
				Pos (Neg)
Public protection:				
Grand jury	\$ 483	515	515	
District attorney	94,011	135,062	134,076	986
Child support	52,236	74,621	74,424	197
Public defender	42,094	59,280	58,971	309
Alternate public defender	12,891	17,513	16,849	664
Defense attorney / contract administration	7,995	8,622	8,295	327
Contributions for trial courts	68,939	77,433	77,284	149
Sheriff	419,531	547,595	526,268	21,327
Probation	144,499	182,595	177,406	5,189
Agriculture, weight & measures	12,788	16,862	16,206	656
Dept. of animal services	11,156	14,080	13,699	381
LAFCO administration	200	200	200	
Health & human services agency	2,983	3,865	3,865	
Medical examiner	6,156	8,141	8,134	7
Planning and land use	26,440	37,268	32,617	4,651
Public safety	5,271	11,736	6,693	5,043
Citizen's law enforcement review board	513	670	659	11
Land use and environment group	4,451	7,808	4,138	3,670
Assessor / recorder / county clerk	15,894	19,923	19,923	
Department of public works	298	297	214	83
Office of emergency services	2,297	10,044	7,715	2,329
Total public protection	931,126	1,234,130	1,188,151	45,979
Public ways and facilities:				
Public works	3,353	29,171	29,171	
Total public ways and facilities	3,353	29,171	29,171	
Health and sanitation:				
Health and human services agency	504,972	554,243	519,036	35,207
Environmental health	28,940	36,520	32,710	3,810
Department of public works	4,113	21,591	5,258	16,333
Total health and sanitation	538,025	612,354	557,004	55,350
Public assistance:				
Health and human services agency	903,704	1,010,911	939,203	71,708
Housing and community development	10,763	13,936	12,054	1,882
Total public assistance:	914,467	1,024,847	951,257	73,590
Education:				
Farm and home advisor	630	5,822	5,799	23
Total education	630	5,822	5,799	23
Recreational and cultural:				
Parks and recreation	19,346	32,801	26,144	6,657
Total recreational and cultural	19,346	32,801	26,144	6,657
Debt service:				
Countywide general expense	16,825	10,771	5,776	4,995
Total debt service	16,825	10,771	5,776	4,995
Total expenditures	2,629,937	3,252,007	2,983,163	268,844
Deficiency of revenues under expenditures	\$ (484,348)	(1,011,939)	(866,108)	145,831

(Cont)

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2004
(In Thousands)**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	(Cont) Variance with Final Budget- Pos (Neg)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	\$		7	7
Transfers in	490,825	491,797	483,333	(8,464)
Transfers (out)	(246,489)	(251,445)	(203,230)	48,215
Long term debt proceeds	25	454,138	454,113	(25)
Encumbrances, beginning of year	94,617	94,617	94,617	
Total other financing sources (uses)	338,978	789,107	828,840	39,733
Net change in fund balance	(145,370)	(222,832)	(37,268)	185,564
Fund balance - beginning of year	145,370	357,865	357,865	
Increase in:				
Reserve for inventory of materials and supplies			193	193
Fund balance - end of year	\$	135,033	320,790	185,757

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2004
(In Thousands)**

Explanation of differences between budget to actual comparison schedule using the operating statement format and GAAP revenues and expenditures:

REVENUES:

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ 2,117,055
Differences-budget to GAAP	
Adjustment to revenue for fair value of investments	(1,151)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	2,115,904

EXPENDITURES:

Actual amounts (budgetary basis) "total charges to appropriation" from budgetary comparison schedule	2,983,163
Differences-budget to GAAP	
Year end encumbrances are added to actual expenditures for budgetary basis but not included in GAAP	(43,987)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	2,939,176

OTHER FINANCING SOURCES (USES):

Actual amounts (budgetary basis) from budgetary comparison schedule	828,840
Differences - budget to GAAP	
Transfer out - year end encumbrances are added to actual transfers out for budgetary basis but not included for GAAP	41,195
Beginning of year encumbrances are included in budget in the budgetary basis but not included for GAAP	(94,617)
Total other financing sources (uses) as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 775,418

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
TOBACCO SECURITIZATION SPECIAL REVENUE FUND
For the Year Ended June 30, 2004
(In Thousands)**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget- Pos (Neg)
	Original	Final		
Revenues:				
Revenue from use of money and property	\$		4,461	4,461
Other revenue	36,938			
Total revenues	36,938		4,461	4,461
Expenditures:				
Other charges	9,451	9,451		(9,451)
Total expenditures	9,451	9,451		(9,451)
Excess (deficiency) of revenues over (under) expenditures	27,487	(9,451)	4,461	13,912
Other financing sources (uses):				
Transfers (out)	(27,487)	(27,487)	(24,083)	3,404
Total other financing sources (uses)	(27,487)	(27,487)	(24,083)	3,404
Net change in fund balance		(36,938)	(19,622)	17,316
Fund balance - beginning of year			366,119	366,119
Fund balance - end of year	\$	(36,938)	346,497	383,435

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
TOBACCO SECURITIZATION SPECIAL REVENUE FUND
For the Year Ended June 30, 2004
(In Thousands)**

Explanation of differences between budget to actual comparison schedule using the operating statement format and GAAP revenues and expenditures:

REVENUES:

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$	4,461
Differences-budget to GAAP		
Adjustment to revenue for fair value of investments		<u>(1,925)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	\$	<u>2,536</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2004**

Budgetary Information

General Budget Policies

An operating budget is adopted each fiscal year for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for: the Tobacco Securitization Joint Special Revenue Fund (a major fund); SANCAL, a non-profit corporation, and Debt Service and Capital Projects Funds (other governmental funds). Unencumbered appropriations for the governmental funds lapse at fiscal year-end. Encumbered appropriations are carried forward to the subsequent fiscal year. Budgets for the governmental funds are adopted on a basis of accounting that is different from generally accepted accounting principles.

The major areas of differences are as follows:

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) are reported as budgeted expenditures in the year the commitment to purchase is incurred. For GAAP (generally accepted accounting principles) purposes in the fund financial statements, encumbrances outstanding at fiscal year-end are reported as reservations of fund balances and do not constitute expenditures and liabilities, because the appropriations for these commitments will be carried forward and the commitments honored in the subsequent fiscal year.

Long-term capital lease obligations are not budgeted as an expenditure and source of funds in the year the asset is acquired. Under a GAAP basis, in the fund financial statements such obligations are included as an expenditure and source of funds in the year the asset is acquired.

Loans and deposits to other agencies, if any, and their subsequent repayments are budgeted as expenditures and revenues, respectively. Under a GAAP basis in the fund financial statements, these items are not recognized as expenditures and revenues.

On a budgetary basis, unrealized gains and losses on the fair value of investments are not recognized. For GAAP purposes, such gains or losses are recognized.

Appropriations may be adjusted during the year with the approval of the Board of Supervisors. Additionally, the Chief Financial Officer is authorized to approve certain transfers and revisions of appropriations within a department. Such adjustments are reflected in the final budgetary data. Accordingly, the legal level of budgetary control by the Board of Supervisors is the department level.

Supplemental appropriations during the year ended June 30, 2004, amounted to \$617.1 million in the General Fund.

Schedule of Funding Progress

San Diego County Employees' Retirement System

Schedule of Funding Progress (In millions) (unaudited):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage Of Covered Payroll (b-a)/(c)
06/30/2002	\$3,831.3	5,078.0	1,246.7	75.4 %	810.3	153.8 %
06/30/2003	4,417.7	5,853.1	1,435.4	75.5	906.1	158.4
06/30/2004	5,166.8	6,369.5	1,202.7	81.1	917.1	131.1