December 8, 2006

Honorable Members of the Board of Supervisors
County of San Diego
San Diego County Administration Center
San Diego, California, 92101

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of San Diego, California (the County) for the fiscal year ended June 30, 2006 with the Independent Auditor's Report, submitted in compliance with California Government Code Section 25253. The Auditor and Controller's department has prepared the CAFR in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the changes in financial position as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the County's financial affairs.

The CAFR was prepared to satisfy the financial reporting requirements for State and local governments issued by the GASB, which require that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements.

The CAFR has been audited by the Independent certified public accounting firm of Macias Gini & O'Connell LLP which has issued an unqualified ("clean") opinion on the County of San Diego's financial statements for the year ended June 30, 2006. The Independent Auditor's Report is located at the front of the financial section of this report.

COUNTY PROFILE

San Diego County is the southernmost major metropolitan area in the State of California and covers 4,255 square miles, extending 70 miles along the Pacific Coast from Mexico to Orange County, and inland 75 miles to Imperial County.
along the international border shared with Mexico. Riverside and Orange counties form the northern boundary. The County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert in the east. The Cleveland National Forest occupies much of the interior portion of the County. The climate is equable in the coastal and valley regions where most resources and population are located. The average annual rainfall in the coastal areas is 10 inches, so that the County is highly dependent on imported water.

The County population in January 2006 was estimated to be 3,066,820, an increase of 0.9% over the adjusted January 2005 figure of 3,039,277, and it is the third largest county by population in California behind Los Angeles and Orange counties. There are 18 incorporated cities in the County; of them, the City of San Diego is the largest, with population of approximately 1.311 million, and Del Mar is the smallest, with a population of approximately 4.5 thousand. In addition, Tijuana, Mexico, with an estimated population of 1.2 million, is a substantial urban neighbor with a shared border, workforce, and economy.

The racial and ethnic composition of the County is as diverse as its geography. According to population projections by the State of California Department of Finance, San Diego's population breakdown in 2010 will be 46% White, 34% Hispanic, 11% Asian and Pacific Islander, 6% Black, and 3% all other groups. From 1990 to 2000, the growth in the Hispanic population, 47%, significantly exceeded total County population growth of 13%. San Diego Association of Governments (SANDAG) projects that both the Hispanic and Asian population shares will continue to increase through 2030. SANDAG also projects an older San Diego County by 2030, based on statistics such as median age.

COUNTY GOVERNMENT, ECONOMY AND OUTLOOK

County Government

The County was incorporated on February 18, 1850, and functions under a charter adopted in 1933, as subsequently amended from time to time. A five-member Board of Supervisors elected to four-year terms in district nonpartisan elections governs the County. The Board of Supervisors appoints the Chief Administrative Officer and the County Counsel. The Chief Administrative Officer appoints the Chief Financial Officer and the Auditor and Controller. Elected officials include the Assessor/Recorder/County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

Many of the County's functions are required under County ordinances or by statute or federal mandate, as County government is the delivery system for federal and state as well as local programs. The County supports a wide range of services to its residents including regional services such as elections, public health and welfare, and environmental services. The County also provides to the unincorporated areas public safety, basic community services such as planning and parks, and infrastructure such as roads and waste disposal. State and federally mandated programs, primarily in the social and health services areas, are directed to be maintained at certain minimum levels, with eligible costs subject to reimbursement according to specific guidelines; however, not all mandated costs are reimbursed.

Economy and Outlook

In recent years, the County has enjoyed economic stability. For example, the unemployment rate for the County has been lower than that of the State for the last 6 years, and at July 2006 was 4.3% as compared to 5.1% for the State. Since the early 1990's San Diego County has seen an increasing diversification of economic activity and has evolved as a hub for research and development (R&D) and product manufacturing in telecommunications, biotechnology, military products, electronics and information technology.

Much of San Diego's economic strength has been derived from employment gains, commercial and industrial development and steady population growth. Looking forward, the state and federal economies are expected to grow moderately, with increases in business investment and slower growth in consumer spending. The San Diego economy is expected to grow moderately, in line with the expansion of the state and federal economies. San Diego
also is expected to maintain its favorable unemployment position relative to the state and nationally. Also the County is expected to regain its favorable position in relation its gross regional product versus the state and national gross domestic product.

The County's economic base consists of a significant manufacturing presence in the fields of electronics and shipbuilding, a large tourist industry attracted by the favorable climate of the region, and a considerable defense-related presence. Highlights of County employment as of July 2006 are listed below.

- Non-agricultural employment totaled 1,296,300 jobs.
- The services industry constitutes the largest employment sector and accounted for approximately 45% of nonagricultural employment, with a total of 583,100 employed.
- The wholesale and retail trade industries were the second largest, non-government sector, comprising approximately 14.8% of non-agricultural employment with a total of 191,900 jobs.
- Government accounted for approximately 16.1% of total employment and manufacturing accounted for an additional 8.0%. San Diego's military presence is anticipated to remain relatively stable. Figures for 2005 are not available. Military payrolls in San Diego have increased 9.6% annually over the prior three years (from 2001 to 2004) and procurement contracts have increased over 20% annually. This level of growth is not expected to continue; however, military payrolls and base expenditures are expected to remain stable with some growth anticipated in defense contracts. Agriculture accounted for approximately 0.83% of total employment.
- The construction and transportation sectors of employment are greatly influenced by the general health of the economy due to the fact that they serve the local market exclusively. The construction industry in particular has a significant multiplier effect on the economy as a whole. These two sectors are therefore directly influenced by the growth of population and housing. Although construction continued to benefit in 2005 from relatively low interest rates, rising interest rates in 2006 threaten to dampen future growth. The San Diego Regional Chamber of Commerce predicts a slowdown in residential building permits, with a decrease in construction jobs, flattening housing prices, and increases in foreclosures and defaults.
- Employment growth over the next year will be led by increases in service and trade industries (i.e., biotech, telecommunications, tourism, and trade). Overall, the San Diego economy in 2006 is expected to add approximately 21,000 jobs, down slightly from 22,000 in 2005. However, as of August 2006, San Diego added only 6,000 jobs.

County revenues based on the local economy such as property taxes, sales taxes, and charges for services have benefited from the region's strength. For example, new real estate construction plus active resale markets over the last 6 years have resulted in an increase of 87% in the assessed value of property subject to property taxes (net of exemptions). Going forward, real estate markets are expected to remain stable and growth will moderate. In addition to conditions of demand and supply, real estate market activity is also affected by interest rates. Although Mortgage rates increased in 2005 and 2006, they are still low by historical standards. There is, however, uncertainty about the direction of key interest rates for the second half of 2006 and for 2007.

Based on the California Association of Realtors' Housing Affordability Index, San Diego's housing affordability, a measure indicating the average household's ability to afford a median-price home, stood at 9% for December 2005. This figure compares to 14% for California and 49% for the nation. Transportation demands and traffic congestion will affect the current and future quality of life, given suburban residential growth and business expansion, such as the gaming industry, outside city centers on formerly rural and agricultural land.

**GENERAL MANAGEMENT SYSTEM**

The General Management System (GMS) is the formal comprehensive guide for planning, implementing, monitoring and rewarding all functions and processes of County
Government. The GMS establishes good business practices and fiscal discipline, both of which are essential to achieve the County of San Diego’s vision, "A County Government that has earned the respect and support of its residents." The purpose of the GMS is to optimize the efficient application of resources in the delivery of services to our residents. These resources include not just taxpayer dollars, but all San Diego County assets, including our unique natural and cultural resources, the expertise and creativity of County employees, and the informed interest of County residents. The idea behind the GMS is straightforward: County government will be able to provide superior services if it sets sound goals and applies strong management principles to achieve those goals.

The County has an annual budget of more than $4.3 billion and almost seventeen thousand employees who serve about three million residents spread over more than 4,000 square miles. Coordination, fiscal and operational discipline, and shared commitment are vital. The GMS facilitates and organizes the goal setting process. The GMS then links goal setting and long-range planning and resource allocation to goal attainment, which includes monitoring, evaluation, cooperation, motivation, and recognition. The GMS helps ensure that County employees adhere to core principles, promoting a culture that values our employees, partners, and customers and institutionalizes continuous improvement and innovation.

The GMS process begins with a long-range, five-year strategic planning process. This is followed by the short-term, two-year operational planning process, which encompasses the budget process and wherein each department’s strategic objectives and resources allocated to achieving them are detailed. Monitoring and control take place throughout the year. Evaluation mechanisms are used to ensure that goals are tracked, plans followed, and risks identified. Functional threading maximizes efficient use of personnel and material resources by coordinating staff and linking the functions they perform. Motivation, rewards, and recognition encourage continuing progress by rewarding those who meet and exceed goals. The system completes a full circle in a fiscal year and begins again with a review of the Strategic Plan and development of a new Operational Plan.

County management defines and communicates GMS objectives. Lines of authority flow from the Board of Supervisors to the Chief Administrative Officer (CAO), Assistant CAO (ACAO), and the five Group General Managers/Deputy CAOs. These senior managers supervise appointed department heads, from whom authority flows down to line staff. Despite the crucial role of management, the success of the GMS depends on strong and effective leadership at all levels of County service. Every County employee is expected to help set goals, strive to achieve them, and be rewarded for achievement.

The GMS helps ensure that sound planning, preparedness, and improvement become permanent organizational ethics. With the GMS as a guide, the County continues to use strong fiscal management practices, while remaining focused on providing superior services to County residents. The principles and procedures outlined by the GMS are meant to apply to every County function on an ongoing basis.

**STRATEGIC AND OPERATIONAL PLANNING (BUDGETARY) PROCESS**

As noted above, a five-year Strategic Plan is updated annually to provide long-term direction to County managers and staff. Each fiscal year a two-year Operational Plan is prepared and details each department’s strategic objectives and the resources required to achieve them. The Operational Plan is monitored regularly and is linked to the GMS system of rewards and recognition. The annual Line-Item Budget incorporates the first year of the Operational Plan and is formally adopted by the Board of Supervisors pursuant to Government Code 29000 et seq. During the year, departments may request budget adjustments for new and existing programs. In addition, the Chief Administrative Officer reviews the status of the County’s performance against budget in a quarterly status report to the Board of Supervisors.
FINANCIAL (BUDGETARY) POLICIES

Government Code Sections §29000 through §30200 provide the statutory requirements pertaining to the form and content of the State Controller’s prescribed Line-Item Budget. Government Code Section 29009 requires a balanced budget in the proposed and final budgets, defined as “the budgetary requirements shall equal the available financing”.

The County has the following financial policies that serve as guidelines for the budget process:

Administrative Code

Sections 115-117: The Chief Administrative Officer (CAO) is responsible for budget estimates and submits recommendations to the Board of Supervisors.

Board of Supervisors Policies

A-91 Mid-Year Budget Changes: All mid-year General Fund savings and over realized revenue identified by County departments will be used to offset net County costs of the appropriate program. In addition, all letters to the Board of Supervisors will include a standardized statement of costs necessary to implement the recommendations submitted for actions, and a justification of the need for the proposal to be addressed outside the annual process, where competing needs could be evaluated.

B-29 Fees, Grants, Revenue Contract: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-51 Grants, Awards & Revenue Contracts: Requires County departments to certify in writing that a proposed activity or project funded primarily by the State or federal government would be worthy of expending County funds if that outside funding were not available.

M-26 Legislative Policy: Long-Term Financing of Local Agencies: Calls on the Legislature to redress inequitable State funding formulas.

Administrative Manual

0030-13 Budget Program/Project Follow-Up: Sunset dates will be placed on programs intended to have limited duration, and related staff and other resources will not be shifted to other activities without the Board of Supervisors’ approval.

0030-14 Use Of One-Time Revenues: One-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not to ongoing programs.

0030-17 General Fund Reserves: Provides a plan for the maintenance and ongoing enhancement of a General Fund reserve. This reserve would provide a source of funds for long-term extraordinary events and enhance the County’s position with rating agencies.

0030-18 Transfers Of Excess Cash Balances To General Fund: Provides for transfer of excess cash balances to the General Fund from funds within the County’s area of financial and cash management which contain earnings or moneys in excess of those funds’ requirements.

0030-19 Revenue Match Limitation: Revenue matches will be limited to the mandated level unless clear justification is provided which results in a waiver of this policy by the Board of Supervisors.

0030-22 Revenue Management: Chief Financial Officer and Auditor and Controller are responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

STRATEGIC INITIATIVES AND ACHIEVEMENTS

San Diego continues to adjust to the following significant external events of the last few years:

- The failure of State government to develop a viable long-term solution to its budget imbalance remains a risk to funding and stability of County programs, since State aid is the primary source of County revenues. Although, according to the California Legislative Analyst’s Office (“LAO”) the
California economy has improved, the budget still relies on one-time spending such as debt issuance and has a structural operating shortfall. Risk and uncertainty surrounding State support to local governments for mandated as well as discretionary programs persisted throughout Fiscal Year 2005-2006 and is expected to remain.

- The September 11, 2001, terrorist attacks and ensuing domestic and international Wars on Terrorism continue to color all public safety and emergency preparedness efforts of local government. During the fiscal year, San Diego County coordinated the Countywide Homeland Security Exercise and Evaluation Program through the Office of Emergency Services. The Office of Emergency Services also administered $9.2 million in State Homeland Security grant funds provided to County departments, fire protection districts and the incorporated cities for protective equipment, training and exercises to respond to terrorist incidents.

In spite of the events in the external environment, County government continues to follow the map of the five-year long-term Strategic Plan developed within the discipline of the GMS. The County's Strategic Plan defines broad organization-wide goals as Strategic Initiatives, which help prioritize specific 'front-line' County efforts and programs. The Strategic Initiatives are:

**KIDS**

- Improve opportunities for children.

**THE ENVIRONMENT**

- Promote resource management strategies that ensure environmental preservation, quality of life, and economic development.

**SAFE AND LIVEABLE COMMUNITIES**

- Promote safe and livable communities.

The Strategic Plan also recognizes that maintaining operational excellence is what enables us to accomplish our Strategic Initiative goals. Key Required Disciplines of operations include:

- Fiscal Stability
- Customer Satisfaction
- Regional Leadership
- Skilled, Competent Workforce
- Essential Infrastructure
- Information Technology
- Accountability/Transparency
- Continuous Improvement

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the significant steps of the last year were:

**KIDS**

- Promoted the well-being and the self-sufficiency of families through success in the child support program. Over a five-year period, the amount of undistributed child support collections was reduced from $7.0 million to less than $1.0 million, a significant accomplishment resulting in more timely financial support to families.
- Provided alcohol and drug treatment with the result that 251 (75%) adolescents successfully discharged from care, completed high school or the equivalent or were enrolled in an educational setting.
- Through rehabilitation and education the Probation Department ensured that 97% of juvenile offenders placed on informal supervision did not re-offend.
- The County Library opened two new libraries in Bonita-Sunnyside and Campo-Morena and expanded programs in its diverse communities. Some examples are Teen Councils, library cards for foster children, and Noche de la Familia.
- Developed a new program to hire at-risk youth to provide them with job skills and training, and potentially a career path at the County.
- Introduced a youthful offender intensive supervision pilot program to reduce substance abuse and increase employment; preliminary results show a 50% increase in employment rates.
- Immunized 2,200 (89%) children to prevent the spread of childhood communicable diseases.
• Assured that kids have access to health care by enrolling 1,000 eligible children in publicly funded healthcare programs.
• Increased the self-sufficiency of 4,320 parents (90% per month) who got jobs, exited cash assistance, and stayed off for at least six months.

THE ENVIRONMENT
• Preserved 344 acres of Multiple Species Conservation Program (MSCP) land and open space for the enjoyment of our current residents and future generation.
• Created spaces that allow for increased distribution and habitat conservation for our biologically significant and diverse species, and managed 275 miles of trails over 40,000 acres of park land open space, and over 60 facilities.
• Developed intergovernmental agreements with the Viejas Band of Kumeyaay Indians, San Pasqual Band of Mission Indians, Santa Ysabel Band of Diegueno Mission Indians, La Posta Band Band of Mission Indians, and Barona Band of Indians to mitigate the environmental and infrastructure impacts of new casinos or casino expansion on the surrounding communities.
• Managed the Indian Gaming Special Distribution Fund Grant Program, which resulted in over $8.3 million for public safety and road improvement projects.
• Completed a stormwater Report of Waste Discharge and Long-term Effectiveness Assessment which provided extensive review and analysis of existing water protection programs.
• The federal Environmental Protection Agency (EPA) confirmed the San Diego County Air Pollution Control District has the most improved ozone air quality of any other area in the country.
• Examined the Land Development Permit Process and reduced the amount of time by 35-50% for the environmental review process associated with discretionary permitting.

SAFE AND LIVEABLE COMMUNITIES
• The Sheriff led the Deoxyribonucleic Acid (DNA) Steering Committee established to implement Proposition 69, the DNA Fingerprint, Unsolved Crime, and Innocence Protection Act. Over 17,000 DNA samples were collected from convicted offenders and juvenile probationers.
• The District Attorney secured convictions in 94% of felony cases. PSG departments partnered with local and federal law enforcement agencies on anti-gang operations. These operations used proactive narcotics and gang investigations to remove dangerous gang members from the community, for drug offenses, before they could commit more violent crimes.
• In efforts to monitor sex offenders, the Sheriff ensured that 97% of sex offenders were in compliance with registration and reporting requirements. Through the Probation Department, sex offenders participated in a pilot Global Positioning System (GPS) monitoring program which tracks them seven days a week, 24 hours a day.
• A pilot Multiple Conflicts Office was created to represent indigent persons in a cost-effective manner.
• The Office of Emergency Services (OES) successfully coordinated the largest full scale terrorism exercise ever conducted in San Diego County. The exercise tested the communication and coordinated response ability of emergency personnel from all 18 cities in the County and State and federal agencies.
• OES completed a Recovery Plan for San Diego County to ensure the County is sufficiently prepared to help citizens recover from a disaster.
• An innovative program was implemented in which Girl Scouts distributed Family Disaster Plans to earn merit badges. Plans were distributed to over 15,000 households.
• The passage of the Vector Benefit Assessment Fee further protected our residents from West Nile virus, Hanta Virus and
Dengue Fever and allowed us to expand our current rat control program and on-line reporting services.

- The Land Use and Environment Group implemented a new Fire Services Program that has provided much-needed funding to 16 fire agencies covering 39 fire stations, which will protect open space, our neighborhoods and homes. Besides directly helping to reduce loss from fire, this funding should also help to increase Insurance Services Office (ISO) ratings, eventually reducing residents’ cost of fire insurance.
- Used 100% of a $7.8 million grant to remove 273,000 dead, dying, and diseased trees, which further protected our residents and improved evacuation corridors for residents in the backcountry.
- Enrolled and trained 50 community healthcare providers on the County’s new web-based disease reporting system to enhance the County’s public health surveillance, investigation, and response capacity.
- Provided SanGIS Information at no cost to the public to ensure geographical information is available to the widest audience possible.
- Responding to public demand for fair and transparent elections, the Registrar of Voters successfully conducted five elections providing access to polls for all voters and provided voting information in four languages.
- Provided housing assistance to 10,800 families and conducted inspections for federal quality standards and fraud reviews. Federal community development programs supplied funding for improvements in parks, senior centers, and affordable housing projects.
- The Department of Animal Services participated in two major animal rescue efforts, Hurricane Katrina dog rescue and reunification with owners and the Border Puppy Task Force, a multi-agency effort that rescued unhealthy and under-aged puppies being smuggled into the County.

**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**OTHER AWARDS AND RECOGNITIONS**

Even with the financial and environmental challenges of Fiscal Year 2006, the County was recognized for many activities that highlight progress in the Strategic Plan Initiatives. County programs received awards for operational and service delivery achievements, technological innovations, and prudent fiscal management.

- For the second year in a row, the County of San Diego dominated the annual Achievement Awards contest held by the National Association of Counties (NACo) for programs that save taxpayer dollars and provide valuable services to the public. The County won 41 awards in the 2006 Achievement Awards Program held by NACo for such accomplishments as Computers for Self-Sufficiency, Ethical and Legal Standards Program, Fire Safety and Fuels Reduction Program, Community Protection and Evacuation Plan Program, Safety First Program, New Kids-Oriented Web Page, and Manager's Development Institute.
- The Government Finance Officers Association of the United States and Canada (GFOA) recognized the County with the Distinguished Budget Presentation Award for the 2005-06 & 2006-07 Operational Plan.
• San Diego County again won a prestigious Challenge Award and several Merit Awards from the California State Association of Counties (CSAC) for 2005. San Diego County’s Library system won the Challenge Award - one of only 10 Challenge Awards given statewide (out of 234 entries) - for its Amazon Wish List program, which makes it easier for Library supporters and Friends groups to donate appropriate and needed materials to the County’s libraries. The three County programs selected for CSAC Merit Awards include the Animal Euthanasia Reduction Program (Animal Services), the Aging Summit (Health and Human Services Agency), and the District Attorney’s CalWorks fraud reduction program known as Project 100%.

• American Farmland Trust, a national program dedicated to protecting the nation’s farm and ranch hands, has featured the County’s new website dedicated to the San Diego Farming Program. The Trust described the new website as a “comprehensive resource for farmers and as a model for other urban counties.” The website is at www.sdfarmingprogram.org.

• The General Services Fleet Management Division received recognition in two nationwide award programs this fiscal year. The County’s Fleet Management division placed second in Fleet Equipment Magazine’s “100 Best Fleets” recognition program. The list recognizes top performing organizations based on accountability, utilization of technology, staff collaboration and recognition, creativity, vehicle maintenance efficiency, and operational cost. There are 36,000 fleet departments nationwide and 250 were considered for the award. Fleet Management also received two of five Best Practices awards presented at the 8th California Fleet News National Fleet Management Conference. San Diego County was recognized for its Standardized Fleet Vehicle Program and application of the County’s General Management System in fleet operations.

• The Hazardous Materials Division (HMD) of the Department of Environmental Health was recognized by the California Certified Unified Program Agency (CUPA) Forum Board as the Outstanding Certified Program Agency for 2005. HMD regulates over 12,000 businesses in San Diego County and performs inspections to verify compliance with laws and regulations related to hazardous materials, hazardous waste, medical waste, and/or underground storage tasks.

• The County’s Housing and Community Development Department, operating as the County’s Housing Authority, was rated as a “High Performer” by the U.S. Department of Housing & Urban Development (HUD), for the fourth year in a row, based on excellence in its administration and operation of the County’s Section 8 Rental Assistance Program which provides Section 8 Assistance to more than 10,400 families in the unincorporated area of the County, as well as 13 incorporated cities.

• The County Television Network (CTN) received a record nine “Emmy” Awards from the National Academy of Television Arts and Sciences (NATAS), Pacific Southwest Chapter, during Fiscal Year 2005-2006, competing against programs produced by commercial television stations, as well as by other government access cable stations. The Department of Media and Public Relations also won 12 awards from the National Association of Telecommunications Officers and Associates (NATOA) for various CTN programs, including second place in the nation for overall excellence in government programming.
ACKNOWLEDGMENTS

We would like to express our appreciation to the accounting staff of County departments and the staff of the Auditor and Controller's department whose coordination, dedication and professionalism are responsible for the preparation of this report. We would also like to thank Macias Gini & O'Connell LLP for their professional support in the preparation of the CAFR. Lastly, we thank the members of the Board of Supervisors, the Chief Administrative Officer, Group/Agency General Managers and their staff for using sound business practices while conducting the financial operations of the County.

Respectfully,

DONALD F. STEUER
Chief Financial Officer

TRACY M. SANDOVAL
Auditor and Controller