

# Basic Financial Statements

Powerhouse Park in Del Mar



# Basic Financial Statements

## STATEMENT OF NET POSITION

June 30, 2013  
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
<b>ASSETS</b>				
Pooled cash and investments	\$ 2,110,849	74,014	2,184,863	125,254
Cash with fiscal agents	26		26	
Investments with fiscal agents	336,533		336,533	10,100
Receivables, net	619,358	10,471	629,829	6,746
Property taxes receivables, net	113,287		113,287	
Internal balances	(80)	80		
Inventories	13,935	1	13,936	
Deposits with others	435		435	
Prepaid items	513		513	2
Deferred charges	11,565		11,565	
Restricted assets:				
Cash with fiscal agents	703		703	
Investments with fiscal agents	63,292		63,292	
Lease receivable	11,045		11,045	
Capital assets:				
Land, easements and construction in progress	563,053	27,373	590,426	
Other capital assets, net of accumulated depreciation/ amortization	2,650,044	141,103	2,791,147	
<b>Total assets</b>	<b>6,494,558</b>	<b>253,042</b>	<b>6,747,600</b>	<b>142,102</b>
<b>LIABILITIES</b>				
Accounts payable	185,686	2,645	188,331	14,613
Accrued payroll	50,280	246	50,526	
Accrued interest	24,983		24,983	
Unearned revenue	214,236	66	214,302	
Noncurrent liabilities:				
Due within one year	155,178	452	155,630	85
Due in more than one year	1,869,264	1,018	1,870,282	27
<b>Total liabilities</b>	<b>2,499,627</b>	<b>4,427</b>	<b>2,504,054</b>	<b>14,725</b>
<b>NET POSITION</b>				
Net investment in capital assets	2,861,061	167,430	3,028,491	
Restricted for:				
Creditors - Capital projects	2,637		2,637	
Grantors - Housing assistance	82,720		82,720	
Donations	3,265		3,265	
Laws or regulations of other governments:				
Future road improvements	123,020		123,020	
Construction, maintenance and other costs for justice, health, and social facilities and programs	55,556		55,556	
Defray administrative costs, other general restrictions	18,312		18,312	
Teeter tax loss	11,868		11,868	
Mental health	6,412		6,412	
Vector control	14,295		14,295	
Improvement and maintenance of recorded document systems	21,424		21,424	
Flood Control future drainage improvements	23,442		23,442	
Public safety activities	55,368		55,368	
Other purposes	201,536		201,536	
First 5 Commission of San Diego				127,377
Unrestricted	514,015	81,185	595,200	
<b>Total net position</b>	<b>\$ 3,994,931</b>	<b>248,615</b>	<b>4,243,546</b>	<b>127,377</b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES**

For the year ended June 30, 2013  
(In Thousands)

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit First 5 Commission of San Diego
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Governmental Activities:								
General government	\$ 240,409	98,205	106,589	9,404	(26,211)		(26,211)	
Public protection	1,236,708	244,612	468,108	161	(523,827)		(523,827)	
Public ways and facilities	135,432	16,744	79,144	23,163	(16,381)		(16,381)	
Health and sanitation	851,246	112,518	660,757		(77,971)		(77,971)	
Public assistance	1,183,923	16,515	1,141,098		(26,310)		(26,310)	
Education	34,104	874	4,546		(28,684)		(28,684)	
Recreation and cultural	34,204	7,307	7,724		(19,173)		(19,173)	
Interest	95,801				(95,801)		(95,801)	
Total governmental activities	3,811,827	496,775	2,467,966	32,728	(814,358)		(814,358)	
Business-type activities:								
Airport	14,107	11,077	4,933			1,903	1,903	
Sanitation district	22,936	18,564				(4,372)	(4,372)	
Wastewater management	5,754	6,561				807	807	
Total business-type activities	42,797	36,202	4,933			(1,662)	(1,662)	
Total primary government	3,854,624	532,977	2,472,899	32,728	(814,358)	(1,662)	(816,020)	
Component Unit:								
First 5 Commission of San Diego	\$ 53,495		36,338					(17,157)

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# Basic Financial Statements

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2013  
(In Thousands)

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
<b>(Continued)</b>				
Changes in net position:				
Net (expense) revenue	\$ (814,358)	(1,662)	(816,020)	(17,157)
General Revenues				
Taxes:				
Property taxes	587,145		587,145	
Other taxes	20,912		20,912	
Property taxes in lieu of vehicle license fees	303,646		303,646	
Sales and use taxes	24,809		24,809	
Total general tax revenues	936,512		936,512	
Investment earnings	3,504	46	3,550	429
Other	90,789	123	90,912	
Total general revenues	1,030,805	169	1,030,974	429
Transfers	114	(114)		
Total general revenues and transfers	1,030,919	55	1,030,974	429
Change in net position	216,561	(1,607)	214,954	(16,728)
Net position at beginning of year	3,778,370	250,222	4,028,592	144,105
Net position at end of year	\$ 3,994,931	248,615	4,243,546	127,377

The notes to the financial statements are an integral part of this statement.

**BALANCE SHEET  
GOVERNMENTAL FUNDS****June 30, 2013  
(In Thousands)**

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and investments	\$ 1,441,132	41,570	8,622	381,554	1,872,878
Cash with fiscal agents	26				26
Investments with fiscal agents	2		336,531		336,533
Receivables, net	507,780	42,564	4,576	62,210	617,130
Property taxes receivables, net	112,833			454	113,287
Due from other funds	41,603			28,323	69,926
Inventories	11,219			1,323	12,542
Deposits with others				435	435
Prepaid items	88			425	513
Restricted assets:					
Cash with fiscal agents	158			545	703
Investments with fiscal agents				63,292	63,292
Lease receivable	4,818			6,227	11,045
<b>Total assets</b>	<b>2,119,659</b>	<b>84,134</b>	<b>349,729</b>	<b>544,788</b>	<b>3,098,310</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	108,434			25,281	133,715
Accrued payroll	46,597			2,465	49,062
Due to other funds	41,568	28,757	2,359	15,162	87,846
Deferred revenues	114,826			44,603	159,429
Unearned revenue	206,812			6,676	213,488
<b>Total liabilities</b>	<b>518,237</b>	<b>28,757</b>	<b>2,359</b>	<b>94,187</b>	<b>643,540</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	1,128			3,842	4,970
Inventories and deposits with others	11,219			1,758	12,977
Restricted for:					
Creditors - Debt service				76,368	76,368
Creditors - Capital projects				42,462	42,462
Grantors - Housing assistance	54,902			27,818	82,720
Donations	3,265				3,265
Laws or regulations of other governments:					
Future road improvements				113,762	113,762
Construction, maintenance and other costs for justice, health, and social facilities and programs	55,556				55,556
Fund purpose		55,377		94,525	149,902
Other purposes	181,541			23,640	205,181
Committed to:					
Realignment health, mental health and social services	65,297				65,297
Unforeseen catastrophic events	55,500				55,500
Capital projects' funding	285,038			6,617	291,655
Health			347,370		347,370
Other purposes	58,996			59,809	118,805
Assigned to:					
Subsequent one-time expenditures	132,541				132,541
Other purposes	51,985				51,985
Unassigned	644,454				644,454
<b>Total fund balances</b>	<b>1,601,422</b>	<b>55,377</b>	<b>347,370</b>	<b>450,601</b>	<b>2,454,770</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,119,659</b>	<b>84,134</b>	<b>349,729</b>	<b>544,788</b>	<b>3,098,310</b>

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
June 30, 2013  
(In Thousands)**

Total fund balances - governmental funds	\$	2,454,770
Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and, therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation.		3,153,885
Unamortized issuance costs - bonds, notes and loans payable deferred charges (to be amortized over the life of the debt).		11,565
Accrued interest on long-term debt.		(24,980)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds and recognized as revenue in the statement of activities.		159,429
Long-term liabilities, including bonds, notes, and loans payable, are not due and payable in the current period and, therefore, are not reported in the balance sheet. (See Note 2 to the financial statements; <b>Table 3</b> .)		(1,862,561)
Internal service funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; to make loans for start-up services for new and existing county service districts; and for the financing of clothing and personal sundry items for persons institutionalized at various county facilities. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. (See Note 2 to the financial statements; <b>Table 3</b> .)		102,823
Net position of governmental activities	\$	3,994,931

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**
**For the Year Ended June 30, 2013  
(In Thousands)**

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 904,358			37,286	941,644
Licenses, permits and franchise fees	43,255			9,491	52,746
Fines, forfeitures and penalties	45,523			4,547	50,070
Revenue from use of money and property	12,785		820	8,313	21,918
Aid from other governmental agencies:					
State	1,057,850	237,733		78,683	1,374,266
Federal	816,640			129,716	946,356
Other	116,303			22,272	138,575
Charges for current services	336,888			29,554	366,442
Other	27,122			51,333	78,455
<b>Total revenues</b>	<b>3,360,724</b>	<b>237,733</b>	<b>820</b>	<b>371,195</b>	<b>3,970,472</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	213,340		139	13,169	226,648
Public protection	1,178,229			9,619	1,187,848
Public ways and facilities	1,441			65,073	66,514
Health and sanitation	789,704			51,031	840,735
Public assistance	1,039,540			138,572	1,178,112
Education	948			31,086	32,034
Recreation and cultural	28,732			2,360	31,092
Capital outlay	17,599			148,138	165,737
Debt service:					
Principal	24,670			51,017	75,687
Interest	19,203			74,475	93,678
Bond issuance costs				393	393
<b>Total expenditures</b>	<b>3,313,406</b>		<b>139</b>	<b>584,933</b>	<b>3,898,478</b>
Excess (deficiency) of revenues over (under) expenditures	47,318	237,733	681	(213,738)	71,994
<b>Other financing sources (uses):</b>					
Sale of capital assets	71			5,926	5,997
Issuance of bonds and loans:					
Face value of bonds issued				29,335	29,335
Premium on issuance of bonds				574	574
Transfers in	263,203			197,728	460,931
Transfers out	(196,867)	(224,667)	(24,189)	(26,460)	(472,183)
<b>Total other financing sources (uses)</b>	<b>66,407</b>	<b>(224,667)</b>	<b>(24,189)</b>	<b>207,103</b>	<b>24,654</b>
Net change in fund balances	113,725	13,066	(23,508)	(6,635)	96,648
Fund balances at beginning of year	1,487,847	42,311	370,878	457,371	2,358,407
Increase (decrease) in nonspendable inventories	(150)			(135)	(285)
<b>Fund balances at end of year</b>	<b>\$ 1,601,422</b>	<b>55,377</b>	<b>347,370</b>	<b>450,601</b>	<b>2,454,770</b>

**The notes to the financial statements are an integral part of this statement.**

**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, 2013**  
**(In Thousands)**

Net change in fund balances - total governmental funds	\$	96,648
Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued.		(5,132)
Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred revenue) but are recognized as revenue in the statement of activities.		5,986
Adjustment to nonspendable inventories.		(285)
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		107
Accounting estimate for pollution remediation		(406)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. (See Note 2 to the financial statements; <b>Table 4.</b> )		48,777
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (See Note 2 to the financial statements; <b>Table 4.</b> )		24,543
The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (See Note 2 to the financial statements; <b>Table 4.</b> )		51,656
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. (See Note 2 to the financial statements; <b>Table 4.</b> )		(10,463)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (or expense) of internal service funds is reported within governmental activities. (See Note 2 to the financial statements; <b>Table 4.</b> )		5,130
Change in net position - governmental activities	\$	216,561

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**
**June 30, 2013  
(In Thousands)**

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 74,014	237,971
Receivables, net	6,621	1,187
Due from other funds	325	24,266
Inventories	1	1,393
Total current assets	80,961	264,817
Noncurrent assets:		
Due from other funds	3,850	30
Capital assets:		
Land	11,565	
Construction in progress	15,808	303
Buildings and improvements	113,942	
Equipment	890	137,332
Software		13,352
Road infrastructure	6,449	
Sewer infrastructure	96,165	
Accumulated depreciation/amortization	(76,343)	(91,775)
Total noncurrent assets	172,326	59,242
Total assets	253,287	324,059
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,645	51,971
Accrued payroll	246	1,218
Accrued interest		3
Due to other funds	687	4,973
Unearned revenue	66	748
Loans payable	279	940
Capital lease payable		33
Compensated absences	173	925
Claims and judgments		36,421
Total current liabilities	4,096	97,232
Noncurrent liabilities:		
Loans payable	767	1,969
Capital lease payable		119
Compensated absences	251	1,343
Claims and judgments		120,131
Total noncurrent liabilities	1,018	123,562
Total liabilities	5,114	220,794
<b>NET POSITION</b>		
Net investment in capital assets	167,430	59,060
Unrestricted net position	80,743	44,205
Total net position	\$ 248,173	103,265

**Reconciliation between net position - enterprise funds and net position of business-type activities as reported in the government-wide statement of net position**

Total net position	\$ 248,173
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	442
Net position of business-type activities	\$ 248,615

**The notes to the financial statements are an integral part of this statement.**

# Basic Financial Statements

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended June 30, 2013  
(In Thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Operating revenues:		
Charges for current services	\$ 36,202	332,789
Other	126	6,084
Total operating revenues	36,328	338,873
Operating expenses:		
Salaries and employee benefits	7,310	36,823
Repairs and maintenance	6,064	30,621
Equipment rental	1,177	345
Sewage processing	14,462	
Contracted services	5,328	178,643
Depreciation/amortization	5,327	13,626
Utilities	291	22,268
Cost of material		6,615
Claims and judgments		45,875
Fuel		14,007
Other	2,371	5,835
Total operating expenses	42,330	354,658
Operating income (loss)	(6,002)	(15,785)
Nonoperating revenues (expenses):		
Grants	4,933	4,068
Investment earnings	46	139
Interest expense	(74)	(229)
Gain (loss) on disposal of assets	(487)	238
Total nonoperating revenues (expenses)	4,418	4,216
Income (loss) before capital contributions and transfers	(1,584)	(11,569)
Capital contributions		5,424
Transfers in	358	15,485
Transfers out	(472)	(4,119)
Change in net position	(1,698)	5,221
Net position at beginning of year	249,871	98,044
Net position at end of year	\$ 248,173	103,265

### Reconciliation between change in net position - enterprise funds and change in net position of business-type activities as reported in the government-wide statement of activities

Change in net position	\$ (1,698)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	91
Change in net position of business-type activities	\$ (1,607)

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**
**For the Year Ended June 30, 2013  
(In Thousands)**

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 30,318	14,380
Cash received from other funds	6,433	324,333
Cash payments to suppliers	(27,507)	(218,250)
Cash payments to employees	(7,294)	(36,842)
Cash payments to other funds	(2,449)	(31,234)
Cash paid for claims and judgments		(24,043)
Other payments		(6)
Net cash provided (used) by operating activities	(499)	28,338
Cash flows from noncapital financing activities:		
Operating grants	1,822	4,298
Transfers from other funds	358	15,485
Transfers to other funds	(472)	(4,119)
Payments received on advances to other funds		15
Principal paid on long-term debt		(895)
Interest paid on long-term debt		(151)
Proceeds from loans		38
Net cash provided (used) by noncapital financing activities	1,708	14,671
Cash flows from capital and related financing activities:		
Capital contributions		106
Acquisition of capital assets	(8,341)	(16,587)
Proceeds from sale of assets		1,077
Principal paid on long-term debt	(267)	
Principal paid on capital lease		(33)
Interest paid on long-term debt	(74)	(82)
Net cash provided (used) by capital and related financing activities	(8,682)	(15,519)
Cash flows from investing activities:		
Investment earnings	205	156
Net increase (decrease) in cash and cash equivalents	(7,268)	27,646
Cash and cash equivalents - beginning of year	81,282	210,325
Cash and cash equivalents - end of year	74,014	237,971
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(6,002)	(15,785)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Decrease (increase) in accounts receivables	463	79
Decrease (increase) in due from other funds	(30)	(829)
Decrease (increase) in inventory	1	166
Increase (decrease) in accounts payable	(115)	15,489
Increase (decrease) in accrued payroll	13	31
Increase (decrease) in due to other funds	(150)	(2,311)
Increase (decrease) in unearned revenue	(9)	165
Increase (decrease) in compensated absences	3	(6)
Increase (decrease) in claims and judgments		17,713
Depreciation/amortization	5,327	13,626
Total adjustments	5,503	44,123
Net cash provided (used) by operating activities	(499)	28,338
Non-cash investing and capital financing activities:		
Capital acquisitions included in accounts payable	1,767	1,662
Disposal of capital assets	(487)	
Governmental contributions of capital assets	\$	5,318

**The notes to the financial statements are an integral part of this statement.**

# Basic Financial Statements

<b>STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS</b>			
<b>June 30, 2013 (In Thousands)</b>			
	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Pooled cash and investments	\$ 4,033,418	1,962	347,479
Cash with fiscal agents			752
Investments with fiscal agents		1,155	
Receivables:			
Accounts receivable		2	406
Investment earnings receivable	2,969	1	6,035
Due from other government agencies		42	
Other receivables	417		
Deferred charges		300	
<b>Total assets</b>	<b>4,036,804</b>	<b>3,462</b>	<b>354,672</b>
<b>LIABILITIES</b>			
Accounts payable	300		18,295
Warrants outstanding			178,657
Accrued payroll			6
Accrued interest		62	
Noncurrent liabilities:			
Due within one year		413	
Due in more than one year		13,064	
Due to other funds		4,891	
Due to other governments			157,714
<b>Total liabilities</b>	<b>300</b>	<b>18,430</b>	<b>354,672</b>
<b>NET POSITION</b>			
Held in trust for pool participants	4,036,504		
Held in trust for private purpose		(14,968)	
<b>Total held in trust (deficit)</b>	<b>\$ 4,036,504</b>	<b>(14,968)</b>	

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**
**For the Year Ended June 30, 2013  
(In Thousands)**

	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund
<b>ADDITIONS</b>		
Contributions:		
Contributions to investments	\$ 6,853,750	
Total contributions	6,853,750	
Investment earnings:		
Net increase (decrease) in fair value of investments	(14,024)	(19)
Investment earnings	12,960	12
Total investment earnings	(1,064)	(7)
Property taxes - Successor Agency Redevelopment Property Tax Trust Fund distribution		2,271
Total additions	6,852,686	2,264
<b>DEDUCTIONS</b>		
Administrative expenses		73
Distributions from investments	6,418,117	
Contributions to other agencies		3,762
Interest		618
Total deductions	6,418,117	4,453
Change in net position	434,569	(2,189)
Net position at beginning of year	3,601,935	(12,779)
Net position (deficit) at end of year	\$ 4,036,504	(14,968)

**The notes to the financial statements are an integral part of this statement.**