



*Basic Financial  
Statements*

## STATEMENT OF NET POSITION

June 30, 2016  
(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	\$ 2,819,548	73,308	2,892,856	53,582
Cash with fiscal agents	24		24	
Investments with fiscal agents	301,364		301,364	24,981
Receivables, net	465,967	7,122	473,089	5,476
Property taxes receivables, net	91,256		91,256	
Internal balances	80	(80)		
Due from component unit	122		122	
Inventories	14,930	273	15,203	
Deposits with others	15		15	
Prepaid items	383		383	32
Restricted assets:				
Cash with fiscal agents	5,024		5,024	
Investments with fiscal agents	46,382		46,382	
Lease receivable	6,157		6,157	
Capital assets				
Land, easements and construction in progress	483,398	20,841	504,239	
Other capital assets, net of accumulated depreciation/ amortization	2,956,142	146,612	3,102,754	
<b>Total assets</b>	<b>7,190,792</b>	<b>248,076</b>	<b>7,438,868</b>	<b>84,071</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Non-pension:				
Unamortized loss on refunding of long-term debt	18,037		18,037	
Pension:				
Changes in proportionate share of contributions	18,861	84	18,945	
Contributions to the pension plan subsequent to the measurement date	352,963	1,561	354,524	
Changes of assumptions or other inputs	228,691	1,020	229,711	
Net difference between projected and actual earnings on pension plan investments	111,809	514	112,323	
Difference between expected and actual experience in the total pension liability	5,739	26	5,765	
<b>Total deferred outflows of resources</b>	<b>736,100</b>	<b>3,205</b>	<b>739,305</b>	

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## STATEMENT OF NET POSITION

June 30, 2016  
(In Thousands)

(Continued)	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
<b>LIABILITIES</b>				
Accounts payable	197,570	1,926	199,496	10,660
Accrued payroll	77,237	360	77,597	
Accrued interest	20,183		20,183	
Due to primary government				122
Unearned revenue	302,495	234	302,729	
Noncurrent liabilities:				
Due within one year	154,460	343	154,803	40
Due in more than one year - other	1,742,785	244	1,743,029	10
Due in more than one year - Net pension liability	2,581,958	11,437	2,593,395	
<b>Total liabilities</b>	<b>5,076,688</b>	<b>14,544</b>	<b>5,091,232</b>	<b>10,832</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Non-pension:				
Property taxes received in advance	11,064		11,064	
Deferred housing loans	135		135	
Gain on refunding of long-term debt	129		129	
Air Quality State Moyer Program	3,323		3,323	
Affordable Housing Project	39		39	
Housing Administrative Cost Allowance	276		276	
Pension:				
Difference between expected and actual experience in the total pension liability	195,898	869	196,767	
<b>Total deferred inflows of resources</b>	<b>210,864</b>	<b>869</b>	<b>211,733</b>	

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## STATEMENT OF NET POSITION

June 30, 2016  
(In Thousands)

(Continued)	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
NET POSITION				
Net investment in capital assets	3,124,804	167,282	3,292,086	
Restricted for:				
Grantors - Housing assistance	83,554		83,554	
Donations	3,504		3,504	
Laws or regulations of other governments:				
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	40,377		40,377	
Future road improvements	134,678		134,678	
Construction, maintenance and other costs for justice, health, and social facilities and programs	53,111		53,111	
Road, park lighting maintenance, fire protection and ambulance service	24,595		24,595	
Air pollution activities	20,225		20,225	
Defray administrative costs, other general restrictions	21,963		21,963	
Teeter tax loss	8,532		8,532	
Mental health	3,412		3,412	
Vector control	12,808		12,808	
Improvement and maintenance of recorded document systems	24,561		24,561	
Flood Control future drainage improvements	14,258		14,258	
Public safety activities	58,334		58,334	
Operations and maintenance for fire services, parks, water quality devices, streetlights, and flood control	51		51	
Other purposes	100,954		100,954	
First 5 Commission of San Diego				73,239
Unrestricted	(1,090,381)	68,586	(1,021,795)	
Total net position	\$ 2,639,340	235,868	2,875,208	73,239

County of San Diego / Comprehensive Annual Financial Report / For the year ended June 30, 2016

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2016  
(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		
<b>Governmental Activities:</b>								
General government	\$ 257,887	99,531	79,217	468	(78,671)		(78,671)	
Public protection	1,359,423	252,303	473,090	12,479	(621,551)		(621,551)	
Public ways and facilities	140,245	23,868	68,542		(47,835)		(47,835)	
Health and sanitation	675,077	110,294	565,483		700		700	
Public assistance	1,421,851	19,071	1,351,199		(51,581)		(51,581)	
Education	41,086	898	4,667		(35,521)		(35,521)	
Recreation and cultural	44,883	10,590	1,551		(32,742)		(32,742)	
Interest	81,665				(81,665)		(81,665)	
<b>Total governmental activities</b>	<b>4,022,117</b>	<b>516,555</b>	<b>2,543,749</b>	<b>12,947</b>	<b>(948,866)</b>		<b>(948,866)</b>	
<b>Business-type activities:</b>								
Airport	14,439	12,044	3,513			1,118	1,118	
Jail Stores Commissary	5,362					(5,362)	(5,362)	
Sanitation District	28,693	26,719				(1,974)	(1,974)	
<b>Total business-type activities</b>	<b>48,494</b>	<b>38,763</b>	<b>3,513</b>			<b>(6,218)</b>	<b>(6,218)</b>	
<b>Total primary government</b>	<b>4,070,611</b>	<b>555,318</b>	<b>2,547,262</b>	<b>12,947</b>	<b>(948,866)</b>	<b>(6,218)</b>	<b>(955,084)</b>	
<b>Component Unit:</b>								
First 5 Commission of San Diego	\$ 41,440		34,850					(6,590)

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## STATEMENT OF ACTIVITIES

For the year ended June 30, 2016  
(In Thousands)

(Continued)	Net (Expense) Revenue & Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Changes in net position:				
Net (expense) revenue	\$ (948,866)	(6,218)	(955,084)	(6,590)
Revenues:				
General Revenues				
Taxes				
Property taxes	680,434		680,434	
Transient occupancy tax	4,128		4,128	
Real property transfer tax	24,589		24,589	
Miscellaneous taxes	38		38	
Property taxes in lieu of vehicle license fees	351,524		351,524	
Sales and use taxes	28,898		28,898	
Total general tax revenues	1,089,611		1,089,611	
Investment earnings	17,818	1,622	19,440	499
Other	82,745	8,777	91,522	
Total general revenues	1,190,174	10,399	1,200,573	499
Transfers	3,714	(3,714)		
Total general revenues and transfers	1,193,888	6,685	1,200,573	499
Change in net position	245,022	467	245,489	(6,091)
Net position at beginning of year	2,394,318	235,401	2,629,719	79,330
Net position at end of year	\$ 2,639,340	235,868	2,875,208	73,239

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

 June 30, 2016  
(In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash and investments	\$ 2,133,726	48,349	10,003	367,839	2,559,917
Cash with fiscal agents	24				24
Investments with fiscal agents	2		296,362	5,000	301,364
Receivables, net	334,770	46,360	4,163	77,935	463,228
Property taxes receivables, net	90,755			501	91,256
Due from other funds	69,504			22,318	91,822
Inventories	12,372			1,657	14,029
Deposits with others				15	15
Prepaid items	82			301	383
Restricted assets:					
Cash with fiscal agents	198			4,826	5,024
Investments with fiscal agents				46,382	46,382
Lease receivable	2,599			3,558	6,157
<b>Total assets</b>	<b>2,644,032</b>	<b>94,709</b>	<b>310,528</b>	<b>530,332</b>	<b>3,579,601</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	135,631			23,620	159,251
Accrued payroll	71,735			3,616	75,351
Due to other funds	46,667	36,381	1,923	29,930	114,901
Unearned revenue	297,645			4,315	301,960
<b>Total liabilities</b>	<b>551,678</b>	<b>36,381</b>	<b>1,923</b>	<b>61,481</b>	<b>651,463</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Non-pension:					
Property taxes received in advance	10,456			608	11,064
Deferred housing loans	135				135
Air Quality State Moyer Program				3,323	3,323
Affordable Housing Project				39	39
Housing Administrative Cost Allowance				276	276
Unavailable revenue	75,354			54,633	129,987
<b>Total deferred inflows of resources</b>	<b>85,945</b>			<b>58,879</b>	<b>144,824</b>

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**BALANCE SHEET  
GOVERNMENTAL FUNDS**

 June 30, 2016  
 (In Thousands)

(Continued)	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	1,117			4,309	5,426
Inventories and deposits with others	12,372			1,672	14,044
Restricted for:					
Creditors - Debt service				65,946	65,946
Creditors - Capital projects				23	23
Grantors - Housing assistance	60,383			23,171	83,554
Donations	3,504				3,504
Laws or regulations of other governments:					
Public safety activities	6	58,328			58,334
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	40,377				40,377
Improvement and maintenance of recorded document systems	24,561				24,561
Defray administrative costs, other general restrictions	21,963				21,963
Future road improvements				134,678	134,678
Construction, maintenance and other costs for justice, health, and social facilities and programs	53,111				53,111
Fund purpose				101,905	101,905
Other purposes	68,595			14,334	82,929
Committed to:					
Realignment health, mental health and social services	65,297				65,297
Landfill postclosure and landfill maintenance				56,366	56,366
Unforeseen catastrophic events	55,500				55,500
Capital projects' funding	337,162			6,651	343,813
Health			308,605		308,605
Pension obligation bonds	100,000				100,000
Other purposes	33,982				33,982
Assigned to:					
Subsequent one-time expenditures	204,178				204,178
Legislative and administrative services	70,197			917	71,114
Pension obligation bonds	35,556				35,556
Other purposes	71,271				71,271
Unassigned	747,277				747,277
<b>Total fund balances</b>	<b>2,006,409</b>	<b>58,328</b>	<b>308,605</b>	<b>409,972</b>	<b>2,783,314</b>
<b>Total liabilities, deferred inflows of resources and fund balances \$</b>	<b>2,644,032</b>	<b>94,709</b>	<b>310,528</b>	<b>530,332</b>	<b>3,579,601</b>

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2016

(In Thousands)

Total fund balances - governmental funds	\$		2,783,314
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/amortization.			3,376,621
Unamortized gain on refundings (to be amortized as interest expense).			(129)
Unamortized loss on refundings (to be amortized as interest expense).			18,037
Accrued interest on long-term debt.			(20,182)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds and recognized as revenue in the statement of activities.			129,987
Deferred outflows of resources- Contributions to the pension plan subsequent to the measurement date.			345,129
Deferred outflows of resources- Changes in proportionate share of contributions.			18,444
Deferred outflows of resources- Changes of Assumptions or other inputs			223,624
Deferred outflows of resources- Net difference between projected and actual earnings on pension plan investments.			109,300
Deferred outflows of resources- Differences between expected and actual experience in the total pension liability.			5,612
Deferred inflows of resources- Differences between expected and actual experience in the total pension liability.			(191,569)
Long-term liabilities, including bonds, notes, loans payable, and net pension liability 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> )			(4,203,474)
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; and, to make loans for start-up services for new and existing county service districts. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. (See Note 2 to the financial statements; <b>Table 3.</b> )			44,626
Net position of governmental activities	\$		<u>2,639,340</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

 For the Year Ended June 30, 2016  
 (In Thousands)

	General Fund	Public Safety Fund	Tobacco Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 1,047,808			42,914	1,090,722
Licenses, permits and franchise fees	41,072			16,303	57,375
Fines, forfeitures and penalties	44,029			2,266	46,295
Revenue from use of money and property	16,149	21	3,169	9,057	28,396
Aid from other governmental agencies:					
State	1,144,554	261,305		81,796	1,487,655
Federal	831,653			127,746	959,399
Other	82,995			27,821	110,816
Charges for current services	362,071			36,634	398,705
Other	29,700			45,564	75,264
<b>Total revenues</b>	<b>3,600,031</b>	<b>261,326</b>	<b>3,169</b>	<b>390,101</b>	<b>4,254,627</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	229,961		90	3,129	233,180
Public protection	1,333,070			10,211	1,343,281
Public ways and facilities	3,948			66,998	70,946
Health and sanitation	628,599			42,272	670,871
Public assistance	1,289,318			136,816	1,426,134
Education	853			38,739	39,592
Recreation and cultural	35,718			2,082	37,800
Capital outlay	43,839			141,226	185,065
<b>Debt service:</b>					
Principal	28,959			36,970	65,929
Interest	12,948			75,554	88,502
Bond issuance costs				761	761
Payment to refunded bond escrow agent				12,481	12,481
<b>Total expenditures</b>	<b>3,607,213</b>		<b>90</b>	<b>567,239</b>	<b>4,174,542</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,182)</b>	<b>261,326</b>	<b>3,079</b>	<b>(177,138)</b>	<b>80,085</b>
<b>Other financing sources (uses):</b>					
Sale of capital assets	162			2,157	2,319
<b>Issuance of bonds and loans:</b>					
Face value of loans issued				690	690
Premium on issuance of refunding bonds				22,163	22,163
Refunding bonds issued				105,330	105,330
Payment to refunded bond escrow agent				(122,533)	(122,533)
Transfers in	296,690			173,485	470,175
Transfers out	(171,752)	(276,308)	(6,646)	(21,778)	(476,484)
<b>Total other financing sources (uses)</b>	<b>125,100</b>	<b>(276,308)</b>	<b>(6,646)</b>	<b>159,514</b>	<b>1,660</b>
<b>Net change in fund balances</b>	<b>117,918</b>	<b>(14,982)</b>	<b>(3,567)</b>	<b>(17,624)</b>	<b>81,745</b>
Fund balances at beginning of year	1,888,376	73,310	312,172	427,309	2,701,167
Increase (decrease) in nonspendable inventories	115			287	402
<b>Fund balances at end of year</b>	<b>\$ 2,006,409</b>	<b>58,328</b>	<b>308,605</b>	<b>409,972</b>	<b>2,783,314</b>

**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, 2016**

**(In Thousands)**

Net change in fund balances - total governmental funds	\$	81,745
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.		(1,111)
Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred inflows) but are recognized as revenue in the statement of activities.		(9,672)
Adjustment to nonspendable inventories.		402
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		(6,360)
Change in accounting estimate for pollution remediation - (general function).		(2,002)
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> )		45,846
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> )		3,465
Contributions to the pension plan subsequent to the measurement date.		345,129
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 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> )		82,630
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> )		(310,303)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (expense) of internal service funds is reported within governmental activities. (See Note 2 to the financial statements; <b>Table 4.</b> )		15,253
Change in net position - governmental activities	\$	<u>245,022</u>

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

June 30, 2016

(In Thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 73,308	259,631
Receivables, net	3,332	1,235
Due from other funds	223	31,856
Inventories	273	901
Total current assets	77,136	293,623
Noncurrent assets:		
Due from other funds	3,790	
Capital assets:		
Land	11,593	
Construction in progress	9,248	
Buildings and improvements	129,638	2,963
Equipment	2,012	149,354
Software	101	1,050
Road infrastructure	9,679	
Sewer infrastructure	99,093	
Accumulated depreciation/amortization	(93,911)	(90,448)
Total noncurrent assets	171,243	62,919
Total assets	248,379	356,542
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension:		
Changes in proportionate share of contributions	84	417
Contributions to the pension plan subsequent to the measurement date	1,561	7,834
Changes of assumptions or other inputs	1,020	5,067
Net difference between projected and actual earnings on pension plan investments	514	2,509
Difference between expected and actual experience in the total pension liability	26	127
Total deferred outflows of resources	3,205	15,954

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**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2016  
(In Thousands)

(Continued)	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,926	38,319
Accrued payroll	360	1,886
Accrued interest		1
Due to other funds	579	6,795
Unearned revenue	234	535
Loans payable	171	1,067
Capital lease payable		38
Compensated absences	172	978
Claims and judgments		43,545
Total current liabilities	3,442	93,164
Noncurrent liabilities:		
Loans payable		1,647
Capital lease payable		13
Compensated absences	244	1,397
Claims and judgments		169,950
Noncurrent liabilities:		
Net pension liability	11,437	57,094
Total noncurrent liabilities	11,681	230,101
Total liabilities	15,123	323,265
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension:		
Difference between expected and actual experience in the total pension liability	869	4,329
Total deferred inflows of resources	869	4,329
<b>NET POSITION</b>		
Net investment in capital assets	167,282	62,868
Unrestricted net position	68,310	(17,966)
Total net position	\$ 235,592	44,902

**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	\$ 235,592
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	276
Net position of business-type activities	\$ 235,868

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

For the Year Ended June 30, 2016

(In Thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Operating revenues:		
Charges for current services	\$ 38,763	379,682
Other	8,782	3,686
Total operating revenues	47,545	383,368
Operating expenses:		
Salaries and employee benefits	7,931	40,972
Repairs and maintenance	6,005	47,576
Equipment rental	1,425	215
Sewage processing	14,210	
Contracted services	8,497	193,295
Depreciation/amortization	5,909	14,173
Utilities	307	25,000
Cost of material	2,254	4,456
Claims and judgments		42,706
Fuel	61	9,151
Other	2,018	6,531
Total operating expenses	48,617	384,075
Operating income (loss)	(1,072)	(707)
Nonoperating revenues (expenses):		
Grants	3,513	3,517
Investment earnings	1,622	1,442
Interest expense	(27)	(49)
Gain (loss) on disposal of assets	(5)	709
Total nonoperating revenues (expenses)	5,103	5,619
Income (loss) before capital contributions and transfers	4,031	4,912
Capital contributions		468
Transfers in	659	11,725
Transfers out	(4,373)	(1,702)
Change in net position	317	15,403
Net position (deficits) at beginning of year	235,275	29,499
Net position (deficits) at end of year	\$ 235,592	44,902

### 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	\$ 317
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	150
Change in net position of business-type activities	\$ 467

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2016

(In Thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 41,623	7,298
Cash received from other funds	7,007	372,051
Cash payments to suppliers	(32,378)	(252,387)
Cash payments to employees	(8,080)	(41,521)
Cash payments to other funds	(4,030)	(30,951)
Cash paid for claims and judgments		(33,993)
Other payments		(90)
Net cash provided (used) by operating activities	4,142	20,407
Cash flows from noncapital financing activities:		
Operating grants	3,140	3,833
Transfers from other funds	659	11,725
Transfers to other funds	(4,373)	(1,702)
Payments received on advances to other funds		15
Principal paid on long-term debt		(992)
Interest paid on long-term debt		(45)
Proceeds from loans		1,283
Other noncapital (decreases)	(25)	
Net cash provided (used) by noncapital financing activities	(599)	14,117
Cash flows from capital and related financing activities:		
Capital contributions		225
Acquisition of capital assets	(5,071)	(15,178)
Proceeds from sale of assets	1	1,292
Principal paid on long-term debt	(304)	
Principal paid on capital lease		(33)
Interest paid on long-term debt	(27)	(4)
Net cash provided (used) by capital and related financing activities	(5,401)	(13,698)
Cash flows from investing activities:		
Investment earnings	1,585	1,322
Net increase (decrease) in cash and cash equivalents	(273)	22,148
Cash and cash equivalents - beginning of year	73,581	237,483
Cash and cash equivalents - end of year	73,308	259,631

Continued on next page ►►►

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2016

(In Thousands)

(Continued)	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,072)	(707)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Decrease (increase) in accounts receivables	937	274
Decrease (increase) in due from other funds	(195)	(4,787)
Decrease (increase) in inventory	(49)	177
Increase (decrease) in accounts payable	(1,375)	1,374
Increase (decrease) in accrued payroll	58	345
Increase (decrease) in due to other funds	(13)	1,581
Increase (decrease) in unearned revenue	149	116
Increase (decrease) in compensated absences	(23)	68
Increase (decrease) in claims and judgments		8,712
Pension expense	(184)	(919)
Depreciation/amortization	5,909	14,173
Total adjustments	5,214	21,114
Net cash provided (used) by operating activities	4,142	20,407
Non-cash investing and capital financing activities:		
Capital acquisitions included in accounts payable	\$ 369	1,006
Governmental contributions of capital assets		243

County of San Diego / Comprehensive Annual Financial Report / For the year ended June 30, 2016

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDSJune 30, 2016  
(In Thousands)

	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Pooled cash and investments	\$ 5,371,121	1,941	386,468
Cash with fiscal agents			541
Investments with fiscal agents		1,155	
Receivables:			
Accounts receivable			1,423
Investment earnings receivable	8,159	1	15,999
Other receivables	786		
<b>Total assets</b>	<b>5,380,066</b>	<b>3,097</b>	<b>404,431</b>
<b>LIABILITIES</b>			
Accounts payable	818	4	35,586
Warrants outstanding			169,360
Accrued interest		55	
Noncurrent liabilities:			
Due within one year		473	
Due in more than one year		11,710	
Due to other funds		5,416	
Due to other governments			199,485
<b>Total liabilities</b>	<b>818</b>	<b>17,658</b>	<b>404,431</b>
<b>NET POSITION</b>			
Held in trust for pool participants	5,379,248		
Held in trust for private purpose		(14,561)	
<b>Total net position (deficit) held in trust</b>	<b>\$ 5,379,248</b>	<b>(14,561)</b>	

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended June 30, 2016

(In Thousands)

	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund
<b>ADDITIONS</b>		
Contributions:		
Contributions to investments	\$ 10,161,590	
Total contributions	10,161,590	
Investment earnings:		
Net increase (decrease) in fair value of investments	4,144	
Investment earnings	27,539	8
Total investment earnings	31,683	8
Property taxes - Successor Agency Redevelopment Property Tax Trust Fund Distribution		1,902
Total additions	10,193,273	1,910
<b>DEDUCTIONS</b>		
Administrative expenses		24
Distributions from investments	9,229,382	
Contributions to other agencies		550
Interest		1,741
Total deductions	9,229,382	2,315
Change in net position	963,891	(405)
Net position at beginning of year	4,415,357	(14,156)
Net position (deficit) at end of year	\$ 5,379,248	(14,561)