SOUTHERN CALIFORNIA INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER

FINANCIAL STATEMENTS

JUNE 30, 2020

Southern California Intergovernmental Training and Development Center
Financial Statements
June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern California Intergovernmental Training
and Development Center
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Southern California Intergovernmental Training and Development Center (ITDC) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise ITDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of ITDC as of June 30, 2020 and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

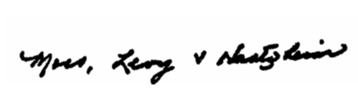
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 3 to 8, the Budgetary Comparison Schedule of the General Fund on page 31, the Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios as of Measurement Date on page 32, and the Schedule of Pension Contributions on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of ITDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ITDC's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 16, 2020

SOUTHERN CALIFORNIA INTERGOVERNMENTAL TRAINING & DEVELOPMENT CENTER (DBA: GOVERNMENT TRAINING AGENCY OR REGIONAL TRAINING CENTER)

Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the GTA's basic financial statements. The GTA's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

The GTA basic financial statements present fairly, in all material respects, the respective financial position of the government activities and the major fund of GTA as of June 30, 2020 and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Government-wide Financial Statements

The government-wide financial statements are prepared using the full accrual basis of accounting for all GTA activities. The statement of net position presents information on all GTA assets and liabilities, with the difference between the two reported as net position. Net position may serve over time as a useful indicator of a government's financial position. The net position on June 30, 2020 is $459,603, with a decrease of $113,595 over the prior fiscal year.

The statement of activities presents information showing how the GTA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as revenues pertaining to uncollected cash and expenses pertaining to earned but unused vacation and sick leave.

Fund Financial Statements

The fund financial statements are prepared using the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash, unless they are measurable and available to finance GTA's operations at the normal time of receipt.

The fund financial statements consist of the following: the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

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Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned. When there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, GTA considers restricted funds to have been spent first. When an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance is available, GTA spends first out of committed funds, then assigned funds, and finally unassigned funds. As of June 30, 2020, all funds in GTA are unassigned general funds. The unassigned general fund balance as of June 30, 2020 is $1,292,991, with an increase of $352,296 over the prior fiscal year due to a decrease of deferred revenues and professional service fees.

As of June 30, 2020, GTA has deferred revenue of $77,012, the balance related to the revenue that has not been received within 60 days following fiscal year end.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (other than MD&A)

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the GTA's general fund budgetary comparison schedule, the proportionate share of net pension liability and related ratio schedule, and the pension contribution schedule.

FINANCIAL ANALYSIS OF THE GTA'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the GTA, assets exceed liabilities by $459,603 at the close of the current fiscal year.

The portion of the GTA's net investment in capital assets is minimal. The majority of GTA net position is comprised of accounts receivable in the amount of $424,466.

Accounts Receivable

Name	Total
IDI	$ 77,833
HHSA	68,312
COMMAND COLLEGE	58,161
DE-ESCALATION	58,157
VAWA	42,090
MGMT COURSE	34,296
MACC	29,715
CDCR	16,320
P3	14,976
IGP	8,852
ICI	5,338
P4	5,000
OTHER	5,417
Grand Total	$ 424,466

Net Position

	FY1819	FY1920
ASSETS		
Cash in County Treasury	$ 859,762	$ 1,079,936
Cash in bank	84,009	93,690
Accounts receivable	822,501	424,466
Interest receivable	7,753	3,243
Long term capital assets	69,954	69,954
Accumulated depreciation	(69,954)	(69,954)
Total Assets	1,774,025	1,601,335
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	218,848	237,581
Total Deferred Outflows of Resources	218,848	237,581
LIABILITIES		
Accounts payable	397,834	225,805
Accrued payroll	5,766	5,527
ST Liab. on compensated absences payable	16,421	17,402
LT Liab. on pension/comp. absences	980,402	1,083,015
Total Liabilities	1,400,423	1,331,749
DEFERRED INFLOWS OF RESOURCES		
Pensions	19,252	47,564
Total Deferred Inflows of Resources	19,252	47,564
NET POSITION		
Unrestricted	573,198	459,603
TOTAL NET POSITION	$ 573,198	$ 459,603

Analysis of Change in Net Position

There is an increase in pension liabilities. The GTA'S net position decreased by $113,595 during the current fiscal year.

FINANCIAL ANALYSIS OF THE GTA'S FUNDS

Governmental Funds

The focus of the GTA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the GTA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

On June 30, 2020, the GTA's governmental funds reported combined ending fund balances of $1,292,991, an increase of $352,296 in comparison with the prior fiscal year. The fund balances are all unassigned funds, which are available to meet the GTA's current and future needs. The reason for the increase of the fund balance was a decrease in deferred revenue of $352,718 over the prior fiscal year.

Revenues: Governmental Fund

REVENUES	2019	% of Total	2020	% of Total	Change
POST Courses	$ 1,830,026	40%	$ 2,223,046	46%	$ 393,020
Admin Contracts	2,260,665	50%	1,718,346	36%	(542,319)
VAWA Grant	376,123	8%	272,217	6%	(103,906)
Other Contracts	243,948	6%	220,621	5%	(23,328)
Interest	14,934	0%	13,236	0%	(1,698)
Change in Deferred Revenue	(168,968)	-4%	352,718	7%	521,686
Total Revenues	$ 4,556,728	100%	$ 4,800,183	100%	$ 243,455

Revenues for governmental functions totaled $4,800,183 in fiscal year 2019-2020, which represents an increase of $243,455 or 5% from fiscal year 2018-2019. The changes are primarily due to positive changes in deferred revenue.

The following table presents expenditures by types compared to prior fiscal year amounts for the governmental fund. The decrease in expenditures is largely in the professional services. It includes program service fees and legal fees.

Expenditures: Governmental Fund

	2019	% of Total	2020	% of Total	Change
Salaries & benefits	$ 685,579	15%	$ 753,338	17%	$ 67,759
Professional services	4,006,031	85%	3,673,998	83%	(332,033)
Other expenses	20,122	0%	20,551	0%	429
Total Expenditures	$ 4,711,732	100%	$ 4,447,887	100%	$ (263,845)

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Fund

Net change in fund balance - governmental fund		$ 352,296
Current year deferred liabilities	77,012	
Prior year deferred liabilities	(429,730)	(352,718)
Variance of compensation absence pay from prior year		(19,717)
Variance of pension costs between accrual and cash basis		(93,456)
Change in net position of governmental activities		$ (113,595)

GENERAL FUND BUDGETARY HIGHLIGHTS

There is an increase on the budgetary financials of $274,296. Although there is negative revenue as compared to budget, there is a bigger drop in professional services.

Budgetary Comparison Schedule

	Original Budget	Final Budget	Actual	Variance
Revenues				
Intergovernmental	$ 5,956,320	$ 5,956,320	$ 4,786,947	$ (1,169,373)
Interest income	6,500	6,500	13,236	6,736
Total Revenues	5,962,820	5,962,820	4,800,183	(1,162,637)
Expenditures				
Salaries & benefits	795,000	795,000	753,338	(41,662)
Professional services & supplies	5,059,820	5,059,820	3,673,998	(1,385,822)
Other expenses	30,000	30,000	20,551	(9,449)
Total Expenditures	5,884,820	5,884,820	4,447,887	(1,436,933)
Net Change in Fund Balance	78,000	78,000	352,296	274,296
Fund Balance, July 1, 2019	940,695	940,695	940,695	-
Fund Balance, June 30, 2020	$ 1,018,695	$ 1,018,695	$ 1,292,991	$ 274,296

NOTES TO FINANCIAL STATEMENTS

Capital Assets

There are no additional capital asset purchases this fiscal year.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Deferred revenue

As of June 30, 2020, GTA has deferred revenue of $77,012. The balance is related to the revenue that has not been received within 60 days following fiscal year end. This deferred revenue included HHSA and POST billings.

Long-term Liabilities

As of June 30, 2020, GTA has compensated absences payable in the amount of $79,165, including $17,402 due within one year. The pension liability, as a result of implementation of GASB Statement Nos. 68 and 71, is in the amount of $1,021,252.

Economic Outlook

The economic outlook for Government Training Agency is positive despite the Coronavirus Pandemic. There is an expectation of positive revenue generation by the end of FY2021. State contracts from FY1920 were extended to December 31, 2020 and contracts for FY2021 saw an increase in dollar amounts allowing for GTA to train additional personnel from around the state. A number of training courses have been put online and result in a positive cash flow by providing training that customers can attend, no matter the extent of travel and meeting restrictions. We are also seeing an increase in out of state trainees in these online courses. We have seen and continue to anticipate an increase in attendance in our training courses and consulting service. While there are many unknowns with the current social and economic issues, the GTA is cautiously optimistic that training will continue in the manner it has during the first half of FY2021 and our contract numbers will remain steady/consistent for the remainder of this fiscal year. GTA's economic success over the short and mid-term will depend on funding from the State of California through contracts and grants and may fluctuate as the state budget fluctuates. At present, state funding for law enforcement training has not been diminished and trainees are continuing to attend GTA courses, both online and in person.

Contacting Management

This financial report is designed to provide a general overview of the GTA's finances and to show GTA's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact Michael Gray, Executive Director, at the Government Training Agency, 6155 Cornerstone Court, Suite 130, San Diego, CA 92121.

BASIC FINANCIAL STATEMENTS

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
STATEMENT OF NET POSITION
June 30, 2020

		Governmental Activities
ASSETS		
Cash and investments with County Treasury	$	1,079,936
Cash in bank		93,690
Accounts receivable		424,466
Interest receivable		3,243
Capital assets, being depreciated		69,954
Accumulated depreciation		(69,954)
Total Assets		1,601,335
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related		237,581
Total Deferred Outflows of Resources		237,581
LIABILITIES		
Accounts payable		225,805
Accrued payroll		5,527
Short-term liabilities		
Due within one year		17,402
Long-term liabilities:		
Due in more than one year		1,083,015
Total Liabilities		1,331,749
DEFERRED INFLOWS OF RESOURCES		
Pension-related		47,564
Total Deferred Inflows of Resources		47,564
NET POSITION		
Unrestricted		459,603
Total Net Position	$	459,603

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

		Program Revenue		Net (Expense)
Functions/Programs	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government:				
General government	$ 4,561,060	$ 4,434,229	$ -	$ (126,831)
Total Governmental Activities	$ 4,561,060	$ 4,434,229	$ -	(126,831)
General Revenues:				
Investment income				13,236
Total General Revenues				13,236
Change in Net Position				(113,595)
Net Position - July 1, 2019				573,198
Net Position - June 30, 2020				$ 459,603

See accompanying notes to basic financial statements

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2020

	General Fund
ASSETS	
Cash and investments with County Treasury	$ 1,079,936
Cash in bank	93,690
Accounts receivable	424,466
Interest receivable	3,243
Total Assets	$ 1,601,335
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	
Liabilities	
Accounts payable	$ 225,805
Accrued payroll	5,527
Total Liabilities	231,332
Deferred Inflow of Resources	
Deferred revenue - unavailable grant revenue	77,012
Total Deferred Inflow of Resources	77,012
Fund Balance	
Unassigned	1,292,991
Total Fund Balance	1,292,991
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$ 1,601,335

See accompanying notes to basic financial statements

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balance - governmental funds		$ 1,292,991
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost	$ 69,954	
Accumulated depreciation	(69,954)	
Net		-
Under the modified accrual basis of accounting used in governmental funds, revenues are not recognized for transactions that do not represent an available financial resource. In the statement of net position and statement of activities, however, revenues and assets are reported regardless of when financial resources are available.		
Deferred revenue - unavailable grant revenue		77,012
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred inflows of resources relating to pensions	(47,564)	
Deferred outflows of resources relating to pensions	237,581	
Net		190,017
Long-term liabilities: In governmental funds, only current liabilities are reported. The long-term liability relating to governmental activities consists of:		
Net pension liability	(1,021,252)	
Compensated absences payable	(79,165)	
		(1,100,417)
Net position of governmental activities		$ 459,603

See accompanying notes to basic financial statements

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2020

	General Fund
Revenues	
Intergovernmental	$ 4,786,947
Use of money and property	13,236
Total Revenues	4,800,183
Expenditures	
Current:	
Salaries and benefits	753,338
Services and supplies	3,673,998
Other expenditures	20,551
Total Expenditures	4,447,887
Net Change in Fund Balance	352,296
Fund Balance, July 1, 2019	940,695
Fund Balance, June 30, 2020	$ 1,292,991

See accompanying notes to basic financial statements

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Net change in fund balance - governmental fund	$ 352,296
Certain revenues are offset by deferred revenue in the governmental fund because they are not available to pay for current period expenditures. This amount represents the amount by which prior fiscal year's deferred revenue exceeded current fiscal year's deferred revenue.	(352,718)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation earned exceeded the amounts used.	(19,717)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	(93,456)
Change in net position of governmental activities	$ (113,595)

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Southern California Intergovernmental Training and Development Center ("ITDC") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

ITDC was created by a Joint Exercise of Powers Agreement (the "Agreement") entered into on December 1, 1972, between the State of California, the County of San Diego (the "County"), and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Escondido, Imperial Beach, La Mesa, National City, Oceanside, San Diego, San Marcos, and Vista. The Cities of Encinitas, Lemon Grove, Poway, Santee, and Solana Beach later joined. The purpose of the Agreement was to create an agency to assist the parties in their efforts to develop and implement employee-training programs. The Agreement provides that ITDC shall be administered by the Board of Directors equal in number to the number of parties who become and remain parties to the Agreement.

B. Basis of Accounting

The accounting records are maintained on the modified accrual basis of accounting. Expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash, unless they are susceptible to accrual: i.e., measurable and available to finance ITDC's operations or a material amount and not received at the normal time of receipt prior to fiscal year end.

C. Basis of Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34. GASB Statement No. 34 establishes requirements and a reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis – Accounting principles generally accepted in the United States of America and GASB require that financial statements be accompanied by a narrative introduction and analytical overview of ITDC's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

Government-wide Financial Statements – This reporting model includes financial statements prepared using the full accrual basis of accounting for all of ITDC's activities and presented on an "economic resources" measurement focus. It reports all current and noncurrent revenues and costs of providing services. The Government-wide Financial Statements consist of the following:

Statement of Net Position – The statement of net position is designed to display the financial position of the government. The net position of ITDC is broken down into three categories – net investment in capital assets, restricted, and unrestricted.

Statement of Activities – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of ITDC's functions. The expense of individual functions is compared to the revenue generated directly by the function.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Accordingly, ITDC has recorded long-term assets and liabilities in the statement of net position, and has reported all revenues and the cost of providing services using the full accrual basis of accounting in the statement of activities.

In accordance with GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by contributions and investment income.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Budgets and Budgetary Accounting

General Budget Policies
An operating budget is adopted each fiscal year on the modified accrual basis, except that encumbrances are treated as budgeted expenditures in the fiscal year of the commitment to purchase. For purposes of budgetary presentation, actual expenditures are adjusted to include encumbrances outstanding at fiscal year-end. There were no encumbrances outstanding at June 30, 2020. All amendments to the adopted budget require Board approval and, as such, reported budget figures are subsequently amended by the Board. Unencumbered appropriations lapse at fiscal year-end.

Encumbrances
Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of resources are recorded in order to reserve that portion of the applicable appropriation, is utilized as an extension of formal budgetary control in the governmental fund. Encumbrances outstanding at fiscal year-end are reported as assignment of fund balance and do not constitute expenditures or liabilities, because the commitments will be honored during the subsequent fiscal year. There were no assignments for encumbrances at June 30, 2020.

Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities. Initial-issue premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. The difference between the reacquisition price and the net carrying amount of refunded debt (deferred

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Long-Term Obligations (Continued)

amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Amortization of premiums and deferred amounts on refunding are included as interest expense, if any.

In the fund financial statements, governmental fund types recognize these changes during the period issued. The face amount of debt issued is reported as other financing sources. Premiums or discounts received are reported as other financing sources or uses respectively.

Net Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents net position restricted by parties outside of ITDC (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets.

Fund Balances

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board is the highest level of decision-making authority for ITDC. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under ITDC's adopted policy, only the governing board or director may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balance are available, ITDC considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the related reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

D. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which ITDC is bound to honor constraints on how specific amounts can be spent.

E. Major Funds

GASB Statement No. 34 requires that ITDC's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types excluding fiduciary fund types.

ITDC reported the following major governmental fund in the accompanying financial statements:

General Fund - This fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is ITDC's operating fund.

F. Governmental Fund Type

The accounts of ITDC are organized into a fund (General Fund), which is considered a separate accounting entity. The fund is a governmental fund type with the flow of current financial resources as the measurement focus. The expendable available financial resources and related current liabilities devoted to financing the general services that ITDC performs for its members are included in the general fund. Cost reimbursements and other revenue used to finance the operations of ITDC are specific resources included in this fund. The fund is also charged with the costs of operating ITDC. It includes the resources allocated for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

ITDC's financial transactions are included in the County's accounting system. The fund is identified in the County's accounting records as the ITDC fund. It is presented in the County's Comprehensive Annual Financial Report as an interest-bearing trust fund with the fiduciary fund type to inform the reader of the relationship between the County and ITDC's operations. The County's budgeting and accounting procedures are consistent with this presentation.

The General Fund, rather than a trust fund, is presented herein in accordance with accounting principles generally accepted in the United States of America appropriate for a legally separate, economically independent, local governmental entity. The amounts presented in ITDC's General Fund are directly reconcilable to the accounts maintained by the County.

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Financial Statement Elements

Cash and Investments – Cash and investments are stated at fair value. Cash deposits are at carrying value, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value per share of the pool's underlying portfolio. ITDC's cash is deposited into the County's Treasury. The County Treasury maintains a cash and investment pool that is available for use by all funds of the County, as well as the funds of other agencies for which the County Treasury is the depository. Interest earned on the pooled fund is allocated based on the average daily cash balances of the participating funds. Further disclosures regarding the County's cash and investment pool are included in the notes of the County's Comprehensive Annual Financial Report.

Deferred Outflow/Inflow of Resources **–** A deferred outflow of resources is a consumption of net position that is applicable to future reporting periods and, therefore, will not be recognized as an expense until that time. A deferred inflow of resources represents an acquisition of net position that is applicable to future periods and, therefore, are not recognized as revenue until the applicable period.

Under the modified accrual basis of accounting, revenue must be earned and susceptible to accrual; it must be both measurable and available to finance expenditures of the current fiscal period. Revenues are considered available if they are collected within 60 days of the end of the current fiscal period. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. This type of deferred inflow is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is used only in connection with governmental funds.

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ITDC's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital Assets – Capital assets, which include land, buildings, equipment, infrastructure, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by ITDC as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Suscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provisions of this statement are effective for fiscal years beginning December 15, 2019.

Note 2 – Cash and Investments

Cash resources of ITDC are combined with the cash resources of the County to form a pool of cash that is managed by the County Treasurer. As provided for by the Government Code, the cash balance of substantially all County funds and certain entities are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. ITDC's net share of the total pooled cash and investments is included in the accompanying statement of net position under the caption "Cash and Investments". Interest earned on investments is deposited to certain participating County funds and entities, including ITDC, based upon their average daily cash balance during the allocation month.

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Cash and investments with County Treasury	$ 1,079,936
Cash in bank	93,690
Total cash and investments	$ 1,173,626

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments with County Treasury, statement of net position	$ 1,079,936
Cash in bank, statement of net position	93,690
Total cash and investments	$ 1,173,626

Further disclosures regarding the County's cash and investment pool including investment policy are included in the notes to the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.

Investments Authorized by the California Government Code

ITDC does not have its own investment policy and it follows the investment policy of the County of San Diego, described as follows:

Investments are reported at fair value which is determined using various methods. Short-term investments are reported at cost, which approximates fair value. Investments in government obligations are valued on over-the-counter bid quotations available at fiscal year-end. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

Governmental Accounting Standards Board Statement No. 72 (GASB 72) Fair Value Measurement and Application establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

Note 2 – Cash and Investments (Continued)

According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

Investments not measured at fair value continue to include, for example, county investment pool and money market mutual funds which are valued at net asset value of $1 dollar per share (amortized cost).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. ITDC categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1: Investments reflect prices quoted in active markets;
Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
Level 3: Investments reflect prices based upon unobservable sources.

The following table identifies the investment types that are authorized for ITDC by the California Government Code (or the County of San Diego's investment policy, where more restrictive).

The table also identifies certain provisions of the California Government Code (or the County of San Diego's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Investments Authorized by the California Government Code

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	No Limit	No Limit
Agency Obligations	5 years	No Limit	35%
Local Agency Obligations	5 years	15%	10%
Supranational Obligations	5 years	30%	No Limit
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	40%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	40%	10-15%
Reverse Repurchase Agreements	92 days	20%	10%
Corporate Medium-Term Notes	3 or 5 years**	30%	5%
Local Agency Investment Fund ("LAIF")	N/A	No Limit	$65 Million
Money Market Mutual Funds	N/A	15%	10%
Bond Funds	N/A	2.5%	2.5%
Pass-Through Securities	5 years	20%	5%

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.
** 3 years for "A" rated corporate bonds and 5 years for "AA" rated bonds

Note 2 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of ITDC's investments to market interest rate fluctuations is provided by the following table that shows the distribution of ITDC's investments by maturity:

		Remaining Maturity (in Months)					
Investment Type	Totals	12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
County investment pool	$ 1,079,936	$ 1,079,936	$ -	$ -	$ -	$ -	$ -
Total	$ 1,079,936	$ 1,079,936	$ -	$ -	$ -	$ -	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, County's investment policy, or debt agreements, and the actual rating, as of fiscal year end, for each investment type.

				Rating as of Fiscal Year End			
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	AA	A	Not Rated
County investment pool	$1,079,936	N/A	$ -	$ -	$ -	$ -	$ 1,079,936
Total	$1,079,936		$ -	$ -	$ -	$ -	$ 1,079,936

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

ITDC's investments include no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above) as of June 30, 2020.

Concentration of Credit Risk

As of June 30, 2020, ITDC has not invested more than 5% of its total investments in any one issuer. Investments in external investment pools are excluded from this requirement.

Note 2 – Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure ITDC deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, none of ITDC's deposits with financial institutions were in excess of federal depository insurance limits.

Investment in San Diego Investment Pool

ITDC is a voluntary participant in the pool regulated by the California Government Code Sections 53601 and 53635, under the oversight of the Treasurer of the County of San Diego. The fair value of ITDC's investment in the pool is reported in the accompanying financial statements at amounts based upon the ITDC's pro-rata share of the fair value provided by the County of San Diego for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on a cash basis.

Note 3 – Accounts Receivable

Accounts receivable consisted of contract receivables from various agencies.

Note 4 – Capital Assets

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, being depreciated				
Furniture and equipment	$ 69,954	$ -	$ -	$ 69,954
Total capital assets being depreciated	69,954			69,954
Less accumulated depreciation for:				
Furniture and equipment	(69,954)			(69,954)
Total accumulated depreciation	(69,954)			(69,954)
Total capital assets being depreciated, net	$ -	$ -	$ -	$ -

Note 5 – Deferred Revenue

As of June 30, 2020, ITDC had deferred revenue of $77,012 in the Balance Sheet of the Governmental Fund. The balance relates to revenue that has not been received within 60 days following fiscal year end.

Note 6 – Long-term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2020, is shown below:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due in one year
Compensated Absences	$ 59,448	$ 29,677	$ (9,960)	$ 79,165	$ 17,402
Net Pension Liability	937,375	187,349	(103,472)	1,021,252	
	$ 996,823	$ 217,026	$ (113,432)	$ 1,100,417	$ 17,402

Note 7 – Defined Benefit Pension Plan

A. Plan Description

ITDC contributes to the California Public Employees Retirement System (PERS), cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information. Specific details for retirement, disability or death benefit calculations for each of the pension plans are also available in the CalPERS' Comprehensive Annual Financial Report (CAFR). The CalPERS' CAFR is available online at https://www.calpers.ca.gov/page/forms-publications.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Section 20814 (c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the fiscal year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Active participants are required to contribute 7% of their annual covered salary. Effective July 1, 2012, all active participants contribute the full 7% of the required employee contribution.

For the fiscal year ended June 30, 2020, the contributions were as follows:

Contribution – employer	$122,966

As of June 30, 2020, ITDC reported net pension liability for its proportionate shares of the net pension liability in the amount of $1,021,252.

ITDC's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The proportion of the net pension liability was based on a projection of ITDC's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, ITDC's proportion was 0.025503%, which increased by 0.000630% from its proportion measured as of June 30, 2018.

Note 7 – Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2020, ITDC recognized pension expense of $216,422. At June 30, 2020, ITDC reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,435	$ -
Change in proportions	17,745	4,418
Changes in assumptions	31,435	-
Net differences between projected and actual earnings on plan investments	-	17,855
Differences between ITDC's contributions and the employer's proportionate share of contributions	-	25,291
Pension contributions subsequent to measurement date	122,966	-
Total	$ 237,581	$ 47,564

$122,966 reported as deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred inflow of resources related to pensions will be recognized as future pension expense as follows:

Fiscal Year Ended June 30	Amount
2021	$ 68,924
2022	(13,469)
2023	7,988
2024	3,608

Actuarial Assumptions – For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2018 actuarial valuation. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

Note 7 – Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	CalPERS
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table[1]	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	2% until PPPA Allowance Floor on Purchasing Power Applies, 2.50% thereafter

[1]The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Note 7 – Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates are net of administrative expenses.

	CalPERS		
Asset Class[1]	**Assumed Asset Allocation**	**Real Return Years 1-10[2]**	**Real Return Years 11+[3]**
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.26%
Inflation Sensitive	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Cash/Liquidity	1%	0.00%	-0.92%
	100%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in b Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net difference between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining amount at the measurement date is amortized over the remaining period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	$ 1,568,898
Current Discount Rate	7.15%
Net Pension Liability	$ 1,021,252
1% Increase	8.15%
Net Pension Liability	$ 569,210

Pension Plan Fiduciary Net Position –Detailed information about pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 7 – Defined Benefit Pension Plan (Continued)

C. Payable to the Pension Plan

At June 30, 2020, ITDC had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2020.

Note 8 – Net Position

Net position is the excess of all ITDC's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

Net investment in capital assets describes the portion of net position which is represented by the current net book value of ITDC's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which ITDC cannot unilaterally alter. These principally include developer fees received for use on capital projects or debt service requirements.

Unrestricted describes the portion of net position which is not restricted as to use.

Note 9 – Commitments and Contingencies

General Litigation

In the normal course of operations, ITDC has been subjected to certain routine litigation matters which are relevant to ITDC. The ultimate outcome of these lawsuits is not presently determinable; however, in the opinion of management, the amount of losses that might be sustained, if any, would not materially affect the financial position of ITDC.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHERN CALIFORNIA
INTERGOVERNMENTAL TRAINING AND DEVELOPMENT CENTER
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amount	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 5,956,320	$ 5,956,320	$ 4,786,947	$ (1,169,373)
Use of money and property	6,500	6,500	13,236	6,736
Total Revenues	5,962,820	5,962,820	4,800,183	(1,162,637)
Expenditures				
Current:				
Salaries and benefits	795,000	795,000	753,338	41,662
Services and supplies	5,059,820	5,059,820	3,673,998	1,385,822
Other expenditures	30,000	30,000	20,551	9,449
Total Expenditures	5,884,820	5,884,820	4,447,887	1,436,933
Net Change in Fund Balance	78,000	78,000	352,296	274,296
Fund Balance, July 1, 2019	940,695	940,695	940,695	
Fund Balance, June 30, 2020	$ 1,018,695	$ 1,018,695	$ 1,292,991	$ 274,296

Southern California Intergovernmental Training and Development Center
Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Plan's Proportionate Share of Net Pension Liability
And Related Ratios as of Measurement Date
June 30, 2020

The following table provides required supplementary information regarding ITDC's CalPERS Pension Plan.

Fiscal Year	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement Date	**6/30/2019**	**6/30/2018**	**6/30/2017**	**6/30/2016**	**6/30/2015**	**6/30/2014**
Plan's proportion of the Net Pension Liability (Asset)	0.025503%	0.024873%	0.024335%	0.024242%	0.023641%	0.025307%
Plan's proportionate share of the Net Pension Liability (Asset)	$ 1,021,252	$ 937,375	$ 959,312	$ 842,122	$ 648,578	$ 625,459
Covered payroll	$ 504,308	$ 608,893	$ 604,433	$ 592,799	$ 469,398	$ 512,698
Plan's proportionate share of the Net Pension Liability (Asset) as percentage of covered payroll	202.51%	153.95%	158.71%	142.06%	138.17%	121.99%
Plan's total pension liability	$ 41,426,453,489	$ 38,944,855,364	$ 37,161,348,332	$ 33,358,627,624	$ 31,771,217,000	$ 30,829,967,000
Plan's fiduciary net position	$ 31,179,414,067	$ 29,308,589,559	$ 27,244,095,376	$ 24,705,532,291	$ 24,907,306,000	$ 24,607,503,000
Plan's fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	75.62%	80.21%	79.81%

* - This is a 10 year schedule. Fiscal year 2015 was the 1st year of implementation; therefore only six years are shown.
Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to Schedule:

1) Benefit changes: There were no changes in benefit terms since the previous valuations.

2) Change in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.
There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Southern California Intergovernmental Training and Development Center
Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Pension Contributions
June 30, 2020

The following table provides required supplementary information regarding ITDC's CalPERS Pension Plan.

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 122,966	$ 103,472	$ 95,904	$ 87,079	$ 79,563	$ 56,221
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 539,093	$ 504,308	$ 608,893	$ 604,433	$ 592,799	$ 469,398

Notes to Schedule

Valuation Date	June 30, 2018
Amortization method	Level percentage of payroll
Remaining amortization period	20 years
Asset Valuation method	5 years smoothed market
Amortization method	The unfunded actuarial accrued liability is amortized over an open 17 year period as a level percentage of payroll
Actuarial assumptions:	
Discount rate	7.15%
Inflation	3.75%
Price Inflation	3.25%
Salary increases	Varies by Category, Entry Age and duration of Service
Investment rate of return	7.5% net of pension plan investment expenses, including inflation
Retirement age	59 years
Mortality	Sex distinct RP-2000 Combined Mortality
Change in assumption	The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent in 2015. In 2017, the discount rate was changed to 7.15%

*On February 19, 2014, the CalPERS Board adopted new recommended demographic assumptions based on the most recent CalPERS Experience Study. These new actuarial assumptions will be implemented for the first time in the June 30, 2014 valuation. For purposes of the post-retirement mortality rates, the revised rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

* - Fiscal year 2015 was the 1st year of implementation; therefore only six years are shown.