



County of San Diego

Rating Agency Presentation



May 2009



Introductions - Participants

County of San Diego Presenters

Donald F. Steuer, *Chief Financial Officer*

Dan McAllister, *Treasurer-Tax Collector*

Dave Butler, *Assessor/Recorder/County Clerk*

Additional County Resources

Tracy Sandoval, *Auditor and Controller/Assistant Chief Financial Officer*

Lisa Marie Harris, *Chief Deputy Treasurer*

Jeff Olson, *Division Chief, Assessment Services*

Janel Pehau, *Director, Office of Financial Planning*

Ebony Shelton, *Group Finance Director, Finance and General Government*

Joan Pan, *Debt Finance Manager*

Tracy Drager, *Senior Auditor and Controller Manager*

Rob Castetter, *Chief Investment Officer*

Michelle Durgy, *Investment Officer*

Michele Cummings, *CAO Staff Officer*

Finance Team

Citi, *Senior Manager*

JP Morgan, *Co-Manager*



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1. OVERVIEW





Executive Summary

- Consistent with our strategic plan and objectives, we have maintained a structurally balanced budget through good times and bad, and will continue to do so.
- We are well-positioned to manage the challenges at hand, including the economic slowdown, impact of State budgetary actions, and changing needs of our residents.
 - The County Board maintains its position of making necessary budget cuts given the economic situation.
 - The County aggressively seeks out business process reengineering opportunities and will continue to review and prioritize required levels of service for all programs.
- We have institutionalized and maintained conservative and prudent fiscal management practices.
 - Consistently strong fund balances and stable reserves.
 - On-going assessment of current and future capital needs.
- We have maintained stability in challenging market conditions.
- We operate within a resilient and diversified economy.



2. REAL ESTATE MARKET UPDATE





A Review and Update of the County's Real Estate Market

- In the first half of 2008, residential change of ownership reassessments averaged +\$90,400 in AV per event. In the second half of 2008 they averaged +\$19,500 in AV per sale.
- Last spring we processed 88,000 2008 Prop 8 reductions totaling \$8.8 billion and representing 2% of the assessment roll. An estimated 200,100 parcels will receive reductions for 2009, totaling \$23.85 billion or 6% of the roll.
- New construction activity has slowed beyond expectations, down over 38%.
- Foreclosures have decreased while Notices of Default have increased during the first four months of 2009.





Notices of Default and Foreclosures

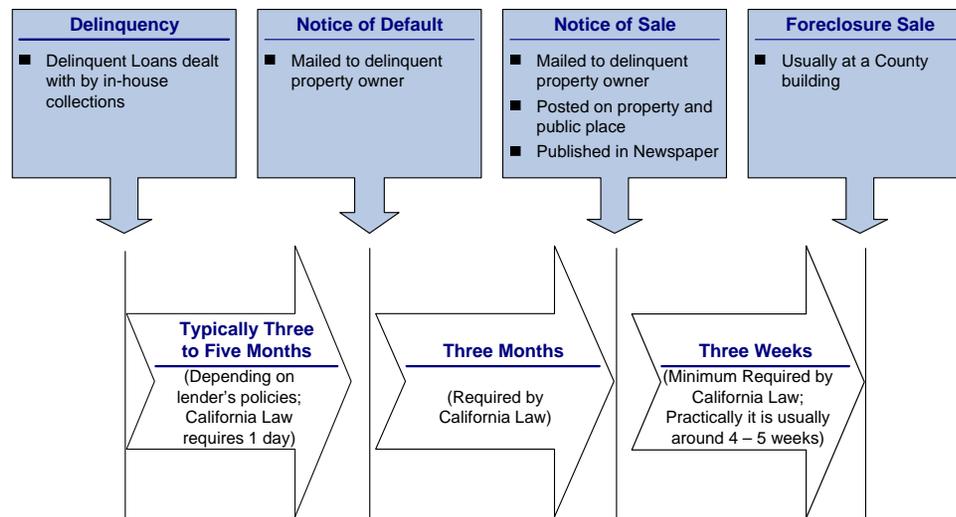
2008 Foreclosures by Month

	Notices of Default	Foreclosures
January	3,299	1,461
February	3,212	1,398
March	3,284	1,161
April	3,601	1,512
May	3,422	1,762
June	3,430	1,981
July	3,206	2,285
August	3,176	2,197
September	1,360	1,981
October	1,269	1,293
November	1,495	1,144
December	3,191	1,351
Annual Total	33,945	19,526

2009 Foreclosures by Month

	Notices of Default	Foreclosures
January	3,055	1,325
February	3,705	1,365
March	4,260	844
April	3,673	988
YTD Total	14,693	4,522

California Non-Judicial Foreclosure Timeline

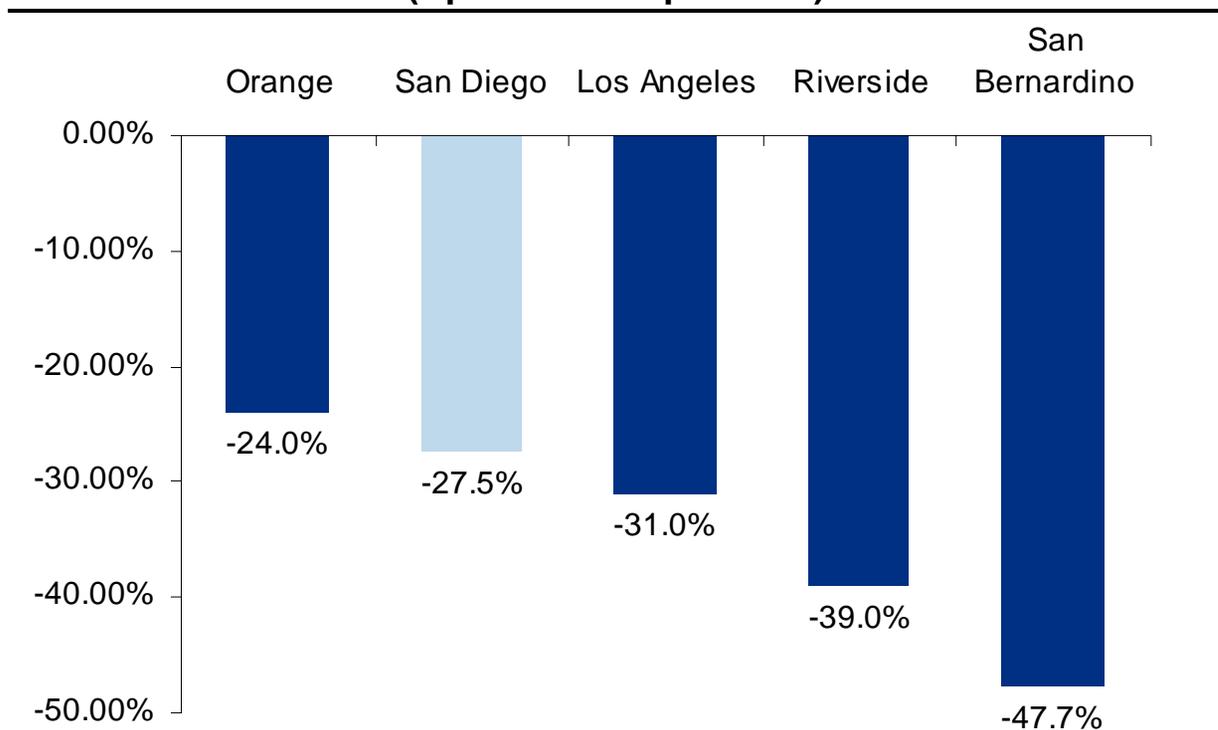




Housing Prices

- In year over year median home prices, San Diego's residential market has held up better than neighboring counties.

**YOY Change in Median Home Prices
(April 2008 – April 2009)**



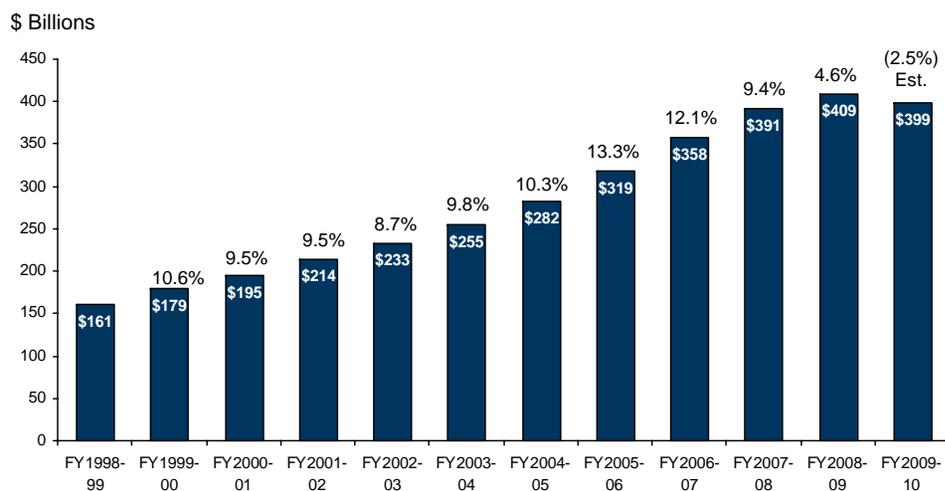
Source: DataQuick



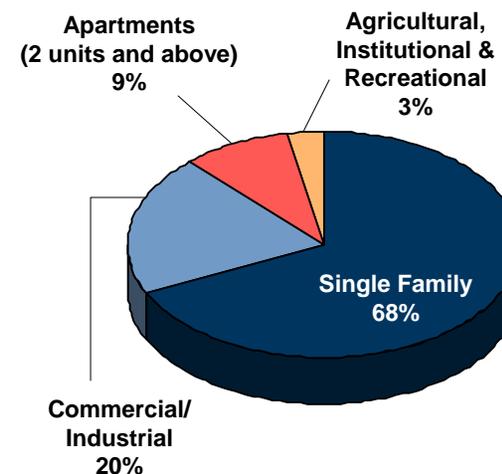
Assessed Valuations

- The property tax base has increased on average 8.7% annually since 1998-99.
- The Fiscal Year 2009-10 AV is expected to decline by only 2.5% despite double digit decreases in the housing market.
- Prop 13 provides a stabilizing factor for AV growth.
 - Real property assessments are subject to a 2% maximum annual inflation adjustment unless there is a change in ownership, new construction, or a reduction. Over 73% of all properties will receive the inflation adjustment for 2009.

AV FY 1998-99 – FY 2009-10 and % Change



FY 2008-09 Distribution of Roll Values



Source: County of San Diego Assessor/Recorder/County Clerk

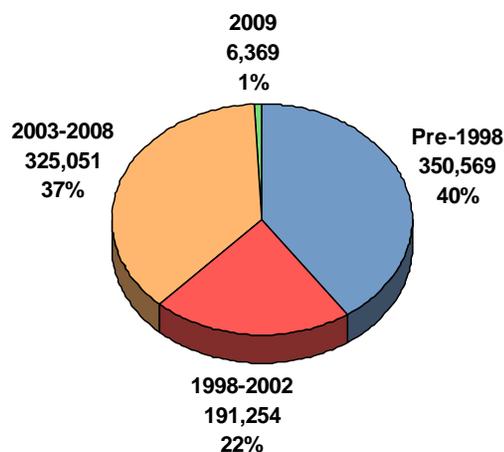


The County's AV Rolls Have Cushion to Absorb Decreases in Market Value

- Approximately **37%** of San Diego County properties last sold in the peak years of our local real estate market (2003-2008). Approximately 2/3 of these properties were single family dwellings or condominiums which have potentially declined in value.
- The remaining **63%** of properties are not likely candidates for a downward reassessment as their base assessment was established in 2009 or prior to 2003. If a property with a pre-2003 base was reassessed today, it would still reflect some appreciation since the time that the base value was established.

Historic AV Reassessments

Base Year Value Established Upon Last Change of Ownership
(Number of Parcels)

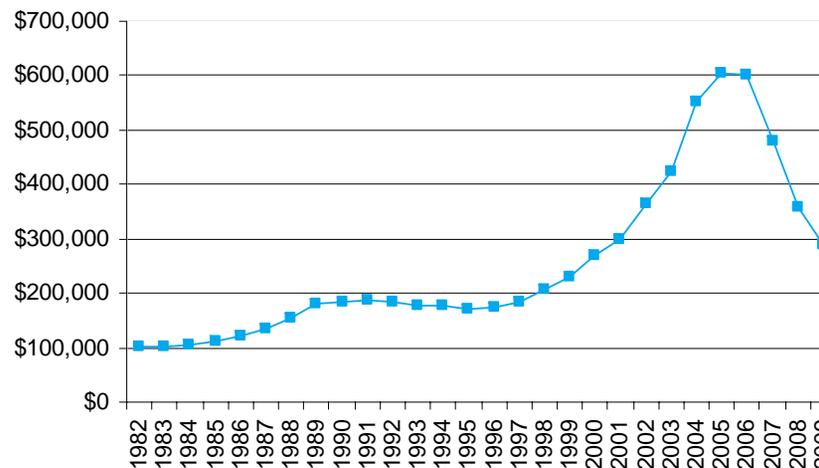


Note: As of April 30, 2009

Source: County of San Diego Assessor/Recorder/County Clerk

Historical Median Home Sales Prices

(1982-2009)*



*Note: 2009 figure as of April 2009; Source: California Association of Realtors



Assessment Review Statistics

2009 Prop 8 Reductions

New Application Received 18,000 as of 5/31/2009

Estimated total by May 30 deadline	30,000
2008 AAB Carryover	35,000
Prop 8 Carryover from Fiscal Year 2008-09	79,100
Proactive reviews (est)	<u>56,000</u>
Estimated Total Reductions	200,100

Total Parcels in the County of San Diego	978,212
Est. % of Total Parcels to be Reduced	20.5%
Est. % of Residential Parcels to be Reduced	26.6%



Residential and Commercial Activity

- The total value added by all change in ownership or new construction reassessments for Fiscal Year 2008-09 was \$20.2 billion, including over \$6 billion from large portfolio sales.
- The estimated total for the 2009-2010 assessment year is \$7.2 billion.

Real Estate Parcel Activity

Calendar Year	Residential		Commercial	
	Change in Ownership	New Construction	Change in Ownership	New Construction
2004	103,128	39,541	2,940	1,543
2005	93,529	38,302	3,016	1,602
2006	71,633	30,540	2,900	1,700
2007	60,107	24,219	3,200	2,500
2008	62,958	14,583	3,610	1,865

Source: County of San Diego Assessor/Recorder/County Clerk.



Property Assessments to Date and in the Future

- Change of ownership reassessments processed through April 30th have netted an AV increase of \$1.98 billion. This represents 95% of residential sales and 86% of commercial sales requiring reassessment for 2009-2010.
- New construction has resulted in an AV increase of \$3.43 billion. This represents 85% of residential permits and 70% of commercial permits requiring reassessment.
- The California CPI adjustment will result in an estimated AV increase of \$6.6 billion.
- Reductions due to a decline in market value will result in a projected AV decrease of \$23.85 billion.
- Based on these factors, total AV for 2009-2010 is estimated to decrease by 2.5%.
- We believe the reductions made for 2009-2010 will capture most eligible residential properties and that we are at or very near the bottom of the residential market. The commercial market is showing signs of softening and we expect office and retail to suffer some decline in the next year. We believe 2009-2010 will represent our steepest decline.



3. ECONOMIC OVERVIEW





Economic Highlights

- San Diego County's population as of January 1, 2009 was 3,173,400, an increase of +1.3% or 41,900 people over the year.¹
- The County's largest city, San Diego, recorded a +1.5% increase or 20,400 residents to a 2009 count of 1,354,000 people.¹
- The total number of San Diego tourists that visited in 2008 was 31.1 million; total economic impact \$18.1 billion.¹
- The Gross Metropolitan Product (GMP) of San Diego was estimated to be \$171.248 billion in 2008, with the visitor industry the third largest revenue generator in the San Diego economy following manufacturing and the military.²
- Under the American Recovery and Reinvestment Act of 2009 (ARRA), the County will be receiving \$194 million as of 5/22/09 and will potentially receive an additional \$34 million. The County is seeking another \$112 million in competitive grants.³

¹ U.S. Census Bureau

² SANDAG

³ County of San Diego, Office of Strategy and Intergovernmental Affairs



Significant Economic Impact Of New Otay Mesa East Port Of Entry

- State Route 11 / Otay Mesa East Port of Entry project includes construction of a new four-lane freeway and new port of entry.
- Current wait times often exceed six hours at the existing Otay Mesa port for commercial vehicles, which supports 90% of the commercial truck traffic for the County.
- An estimated \$28.6 billion in goods crossed the Otay Mesa port in 2006. The number is expected to double by 2025.
- The new port will alleviate traffic congestion while promoting trade between the U.S. and Mexico leading to shorter wait times and increased goods transported.
- The project will create approximately 42,034 jobs and an estimated \$1.6 million for the local economy.

Total Project Cost: \$300-360	
Funding Sources (\$millions)	
Private investors and tolls	\$211 – 271
Proposition 1B Trade Corridor Improvement Fund	\$75
State Transportation Improvement Program	\$13
Federal Government	\$0.4

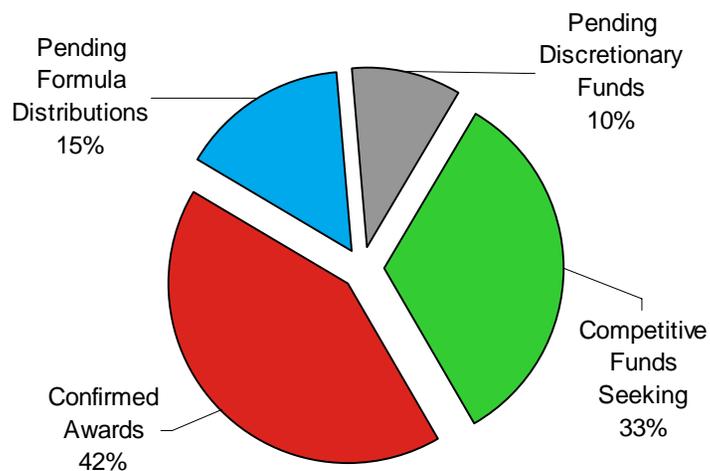
Source: CA Department of Transportation, March 2009, Project Fact Sheet



Impact of Federal Stimulus Funds

	Funds	# ARRA programs	# projects (initial estimate)
Confirmed Awards	\$143,595,712	8	12
Pending Formula Distributions	\$51,167,219	7	37
Total Known Awards	\$194,762,931	15	49
Pending Discretionary Funds	\$34,000,000	2	12
Total Estimated Awards	\$228,762,931	17	61
Competitive Funds Seeking	\$112,639,351	8	54
TOTAL	\$341,402,282	25	115

ARRA Grant Activity



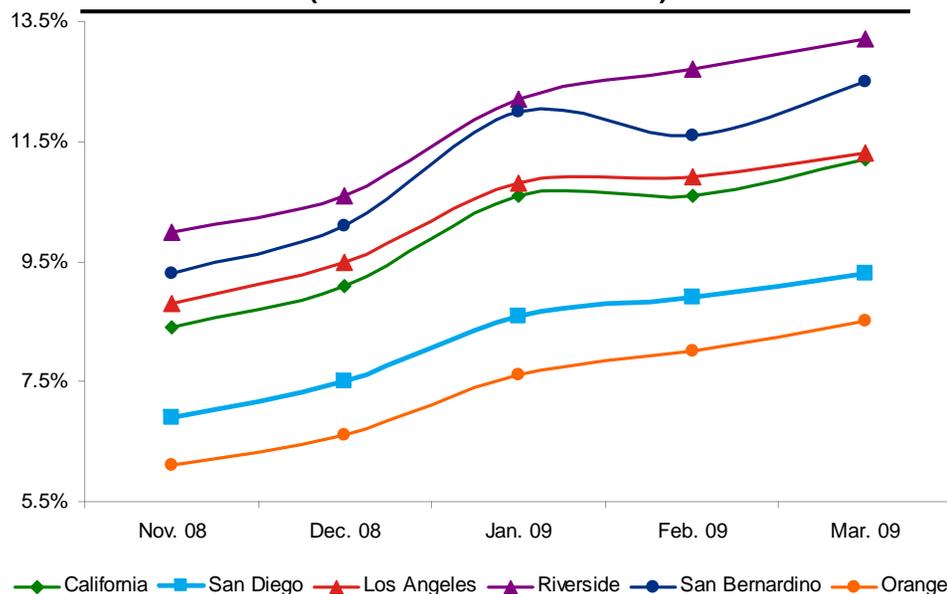
Source: County of San Diego Office of Strategy and Intergovernmental Affairs



Diverse Economy and Employment Base

- It is anticipated that California's unemployment rate will continue to rise and remain in the double digits until at least the beginning of 2012.¹
- Economists say one of the few encouraging signs in the local January jobless data is that employment in the beleaguered real estate market seems to be hitting bottom.²

Unemployment Rates In Southern California Counties
(November 08 – March 09)³



County	Average	Mar-09
California	10.0%	11.2%
San Diego	8.2%	9.3%
Los Angeles	10.3%	11.3%
Riverside	11.7%	13.2%
San Bernardino	11.1%	12.5%
Orange	7.4%	8.5%

¹ UCLA's Anderson Forecast & UC Santa Barbara's Economic Forecast.
² San Diego Tribune, Alan Gin, UCSD, Associate Professor of Economics, March 25, 2009.
³ Employment Development Department.



Property Tax Collections as of April 30, 2009

	FY2007/08	FY2008/09
Number of bills sent ¹	974,997	980,355
Amount billed ¹	\$ 4,372,959,277	\$ 4,556,414,084
Amount received ¹	\$ 4,113,981,144	\$ 4,257,708,490
Percentage of delinquencies ²	5.92%	6.56%
Number of delinquencies ²	122,191	132,907
Amount outstanding ²	\$ (258,978,133)	\$ (298,705,594)

1. Includes both 1st and 2nd installments on secured tax roll/real estate.
2. Delinquent collections for payments due on December 10, 2008 (1st installment) and April 10, 2009 (2nd installment).

Source: San Diego County Treasurer-Tax Collector



The County's Property Tax Base is Very Diverse

- The ten largest taxpayers in the County are responsible for approximately 3.7% of the total property taxes.

Ten Largest Property Taxpayers Fiscal Year 2008-09

Property Owners	Business Area	Approximate Tax (millions)
San Diego Gas & Electric Company	Gas and Electric Utility	\$52.4
Irvine Co.	Real Estate	19.6
Southern California Edison	Electric Utility	19.1
Kilroy Realty	Real Estate	15.0
Qualcomm	Telecommunications	13.0
Arden Realty LTD	Real Estate	10.7
San Diego Expressway LTD	Real Estate	10.5
OC / SD Holdings LLC	Real Estate	10.0
Pacific Bell Telephone Company	Telecommunications	9.3
Genentech	Biotechnology	5.9
	Total	\$167.4



4. CREDIT HIGHLIGHTS





Credit Highlights - Overview

- Disciplined financial management will enable the County to weather the State's fiscal crisis and current economic conditions.
- The County is allocating ongoing General Purpose Revenue to support major capital needs.
- The County has low and manageable debt levels.
- The County has pro-actively managed its labor and retirement costs.
- The County adheres to a fund balance and reserves policy that will ensure the County's fiscal health and stability.



Strong Financial Management Practices

- Fiscal Year 2008-09 projected unreserved/undesignated general fund balance of \$474.6 million includes \$284.6 million from prior year.
- The County Budget is structurally balanced.
 - Conservative budgeting consistently produces net operating surplus.
 - Long-term capital planning policy and five year capital needs assessment program.
 - One-time revenues only used for one-time expenditures.
 - Using ongoing revenues for one-time projects.
 - Received GFOA Distinguished Budget Presentation Award.





Strong Financial Management Practices (cont.)

- The County has institutionalized financial management policies.
 - Fund Balance and Reserves Policy
 - Strong investment pool management policy
 - Debt, Refunding and Swap Policies in place
 - Debt Advisory Committee (DAC) oversees debt management.
 - Consistent record of early debt repayment and cash funding of projects.





Strong Financial Management Practices (cont.)

- Comprehensive financial reporting and forecasting
 - Risk Overview Committee / Disclosure Controls and Procedures
 - Comprehensive financial disclosure in Appendix A of Official Statements
 - Two-year Operational Plan and five-year financial forecast
 - Quarterly Variance Reports posted on County website.
 - Debt capacity review and long-term financial planning model to support the execution of the Capital Improvements Needs Assessment (CINA).
 - The County's CAFR has received the GFOA Certificate of Achievement for Excellence in Financial Reporting and the State Controller's Award for Achieving Excellence in Financial Reporting.
 - The Investment Pool's CAFR has received the GFOA Certificate of Achievement for Excellence in Financial Reporting.



5. FISCAL YEAR 2008-09 PROJECTED FINANCIAL RESULTS





Fiscal Year 2008-09 Financial Highlights

- Projected Unreserved/Undesignated fund balance is \$474.6 million.
- Target levels for Fund Balance and Reserves Policy have been met or exceeded.
- Fiscal year-to-date expenditures of \$18.9 million for major maintenance projects to preserve and extend the useful life of County facilities.
- Retired \$44 million of pension debt early and restructured 2002B POBs to shorten final maturity and achieve overall level POB debt service.
- County Operations Center (COC) Project cash contribution of \$75 million.





The County Maintains Strong Fund Balances

- The County spends one-time resources on one-time items not ongoing operational needs, which bolsters fund balances.

Historic General Fund Balances

	FY 2005-06		FY 2006-07		FY 2007-08		FY 2008-09 3 rd Qtr Projections	
	\$ Millions	% of FB	\$ Millions	% of FB	\$ Millions	% of FB	\$ Millions	% of FB
Total Reserved Fund Balance	\$272.9	30.4%	\$410.2	35.5%	\$273.2	22.4%	\$273.2 ¹	24.3%
Total Unreserved / Designated Fund Balance	190.5	21.2%	183.4	15.9%	375.9	30.8%	375.9 ¹	33.5%
Total Unreserved / Undesignated Fund Balance	435.5	48.4%	561.4	48.6%	571.4	46.8%	474.6²	42.2%
Total General Fund Balance	\$898.9		\$1,155.0		\$1,220.5		\$1,123.7	

1) Total Reserved Fund Balance and Total Unreserved / Designated Fund Balance for FY 2008-09 are assumed to be unchanged from the FY 2007-08 audited figures. Total Reserved Fund Balance includes the general reserve and reserves for loans, inventory, landfill maintenance and other purposes. Total Unreserved / Designated Fund Balance includes various designations for subsequent years' expenditures, landfill post-closure expenditures, and for encumbrances.

2) Total Unreserved / Undesignated Fund Balance represents the unreserved/undesignated/un-appropriated Fund Balance as of May 12, 2009 (\$571.4 Million [Audited FY 2007-08 unreserved / undesignated fund balance] - \$214.7 Million [appropriated for the FY 2008-09 operational plan] - \$30.1 Million [appropriated by the Board of Supervisors in the First Quarter Status Report] - \$19.2 Million [appropriated by the Board of Supervisors in other board actions] - \$0.01 Million [appropriated by the Board of Supervisors in the Second Quarter Status Report] - \$22.8 Million [appropriated by the Board of Supervisors in the Third Quarter Status Report] + \$190.0 Million [2008-09 Third Quarter Status Report projected GF year-end FB]).



Fiscal Year 2008-09 Projected Results

Fund Balance Status - General Fund (in millions)	
Unreserved/Undesignated Fund Balance (UUFB) as of June 30, 2008	\$ 571.4
Less amount used in FY 2008-09 Budget for one time expenses	(214.7)
Less subsequent uses approved by the Board of Supervisors	(72.1)
Total Available UUFB	\$ 284.6
3rd Quarter Projection of FY 2008-09 Budgetary FB	\$ 190.0
Total Projected UUFB at June 30, 2009 (1)	\$ 474.6

(1) Assumes no further use of Available UUFB and that the 3rd Quarter Projection holds true.

3rd Quarter Projection of FY 2008-09 Budgetary Fund Balance (in millions)			
	2008-09 Amended Budget	Projected Year End Results	Variance from Amended Budget
Total Expenditures	4,033.1	3,696.8	336.4
Total Revenues and Fund Balance Utilized	3,724.4	3,578.0	(146.4)
Net Savings from the 2008-09 Amended Budget	308.7	118.7	190.0

■ \$336.4 million lower than budgeted expenditures primarily attributable to:

- Appropriation savings of: \$60.9 million from budgeted salaries and benefits costs; \$210.1 million from services and supplies; \$10.5 million from other charges largely reflecting reduced caseload and aid payments in HHSA
- \$52.3 million in contingency and management reserves that are projected to be unspent at year-end

■ \$146.4 million lower than budgeted revenue mainly comprised of the following significant variances:

- (\$134.9) million from intergovernmental revenues resulting from expenditure savings and projected \$38.1 million reduction in realignment revenues
- (\$28.8) million from property taxes
- (\$34.2) million from Proposition 172 sales tax
- +\$21.0 million from settlement of a contract dispute
- +\$8.5 million from State reimbursement of February 2008 election costs



Conservative Budgeting and Strong Financial Performance

- The County has consistently generated a net operating surplus.

(in millions)	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09*
Projected Net Savings as of 3rd Quarter	\$198.4	\$338.1	\$480.2	\$509.3	\$474.6
Actual Year-End Undesignated Fund Balance (Audited)	\$264.2	\$435.4	\$561.4	\$571.4	TBD

*Represents projections as of the Third Quarter Operational Plan Status Report as presented to the Board of Supervisors on May 12, 2009 (excess of revenues over expenditures plus prior year remaining available fund balance).



The County Currently Meets or Exceeds All Reserve Targets

- Targets for reserves and unappropriated fund balances have been set and maintained or exceeded.
- For Fiscal Year 2008-09 the target for unappropriated, unreserved, undesignated fund balance is \$101.5 million; currently \$284.6 million is unappropriated from prior year.

Reserve Targets and Balances

FY 2008-09 budgeted General Purpose Revenues (GPR): \$1,014.7 million

(in millions)		Target	Current
General Reserve	5%	\$50.7	\$55.5
Contingency Reserve	2%	\$20.3	\$20.3
Unappropriated Fund Balance	10%	\$101.5	\$284.6 ⁽¹⁾

(1) Does not reflect the projected FY 2008-09 budgetary fund balance of approximately \$190.0 million.



Additional Reserves and Resources

Projected Additional Reserves and Resources as of June 30, 2009 (in millions)

Authority to Release Funds

Debt Service Reserves	\$31.6	Rating Agency, Insurer and Bondholder Consent; Four Votes
Workers' Compensation Reserve	84.8	Four Votes
Public Liability Reserve	26.4	Four Votes
Environmental Trust Fund Reserve	65.7	Existing Ordinance would need to be amended; Four Votes
Tobacco Securitization Special Revenue Endowment Fund	408.5	Existing Board Policy would need to be amended; Four Votes
Total	\$617.0	



6. FISCAL YEAR 2009-10 PROPOSED OPERATIONAL PLAN





Fiscal Year 2009-10 Operational Plan Highlights

- Assumes General Purpose Revenue (GPR) decline of 6.3% and program revenue growth of 0.5%.
- Reflects no wage increase and a 5% flex benefit increase effective January 1, 2010.
- Deletes 758.0 FTEs, a 4.4% decrease.
- Establishes Contingency Reserve at \$20.0 million, exceeding target level of \$19.0 million.
- Maintains General Reserve at \$55.5 million, exceeding target level.
- Uses \$332.4 million of fund balance for one-time projects, including \$100 million that converts the unappropriated fund balance target amount in the reserve policy to a designation (net use is \$232.4 million).
- Cuts have been made across the organization in order to maintain structural balance.
- Increases GPR (net cost) allocation to Public Safety by \$0.9 million to help mitigate the drop in Proposition 172 sales tax revenues; all other groups are seeing a real decrease in the GPR allocation of 4 – 6%.
- Appropriates \$75 million of ongoing GPR for the Women's Detention Facility.
- Appropriates \$100 million for the early payment of the outstanding 2008B Pension Obligation Bonds (POBs).
- Includes \$26.3 million of stimulus funding which benefits the Community Services Group (\$8.3 million) and the Health and Human Services Agency (\$18.0 million).



Update on Labor Negotiations Fiscal Year 2009-10

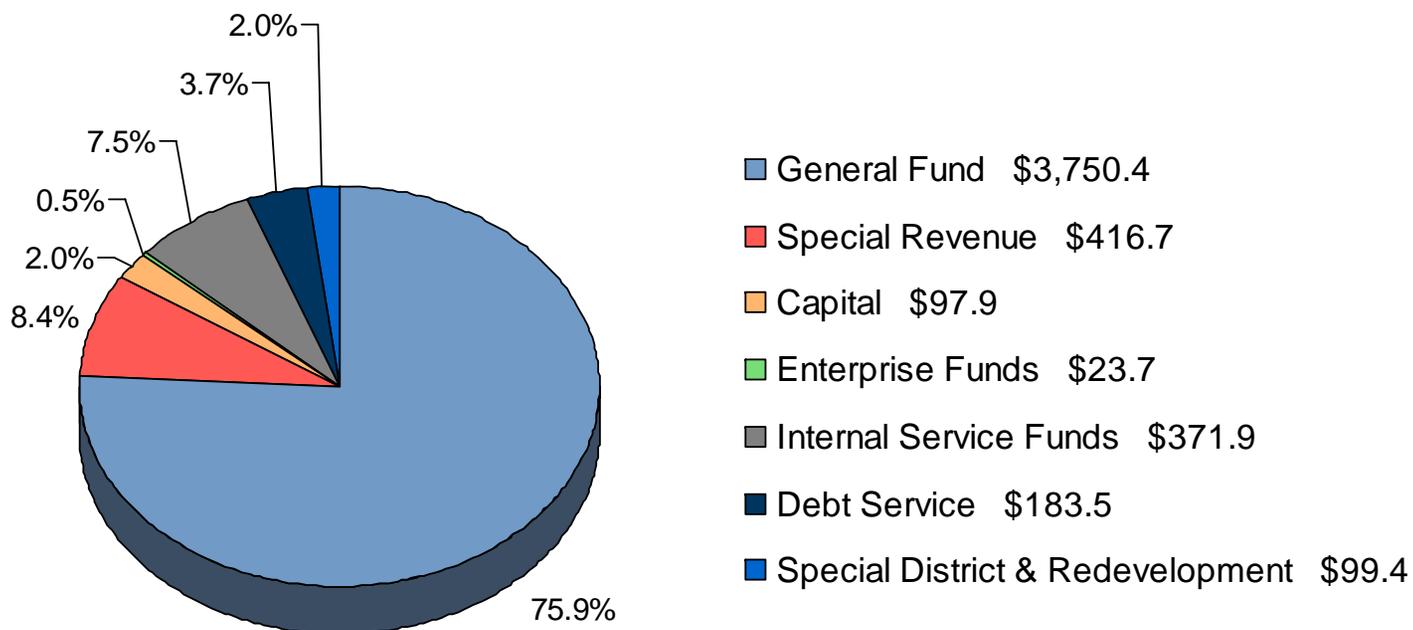
- The County has labor agreements with all unions effective through June 16, 2011, with the exception of SEIU, Local 221/San Diego Probation Officer's Association.
- Fiscal Year 2009-10 no wage increase; 5% flex credit increase (effective January 1, 2010).
- Fiscal Year 2010-11 2% wage increase effective June 18, 2010; 5% flex credit increase (effective January 1, 2011).
- Prospective amendments to the retirement system have been negotiated, creating a Tier B for newly hired employees in all bargaining units. The new tier is based on the average of the highest three years of salary (currently it is based on the single highest year) and:
 - 2.6% @ 62 for general employees
 - 3% @ 55 for safety employees



Fiscal Year 2009-10 Proposed Budget – All Funds

- Proposed budget for all funds of \$4.94 Billion
(decrease of 4.7% from prior fiscal year)

Appropriations by Fund (in millions)

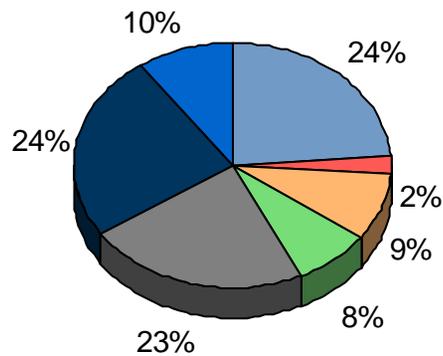




Fiscal Year 2009-10 Proposed General Fund Budget

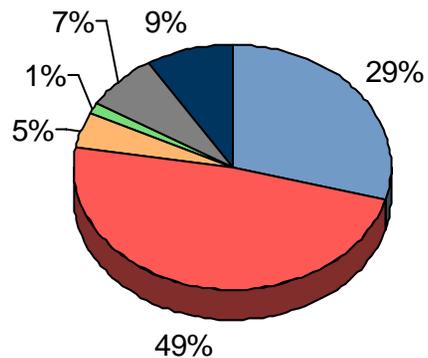
- Proposed budget of \$3.75 Billion
(increase of 1.9% from prior fiscal year)

Revenues by Category (in millions)



- Property and Other Taxes \$900.8
- Other Intergovernmental \$73.4
- Fund Balance/Reserve Designation \$338.6
- Use of Money & Property and Other \$290.2
- Federal \$853.2
- State Aid \$932.9
- Charges for Services, Fees & Fines \$361.4

Appropriations by Group/Agency (in millions)

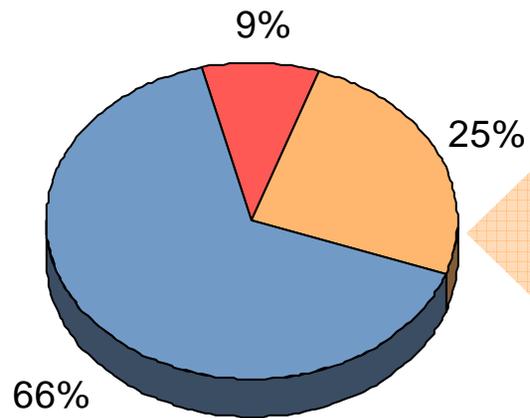


- Public Safety \$1,091.2
- Health & Human Services \$1,812.1
- Land Use & Environment \$176.6
- Community Services \$55.6
- Finance & General Government \$279.2
- Finance Other \$335.8



Fiscal Year 2009-10 General Fund Revenue Composition

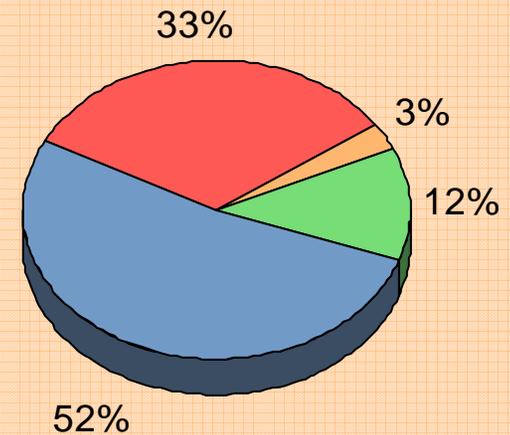
General Fund Revenue by Source (in millions)



- Program Revenues \$2,461.1
- Fund Balance/Designations \$338.6
- General Purpose Revenues \$950.8

General Purpose Revenue (in millions)

\$950.8 million
6.3% decrease from prior Fiscal Year



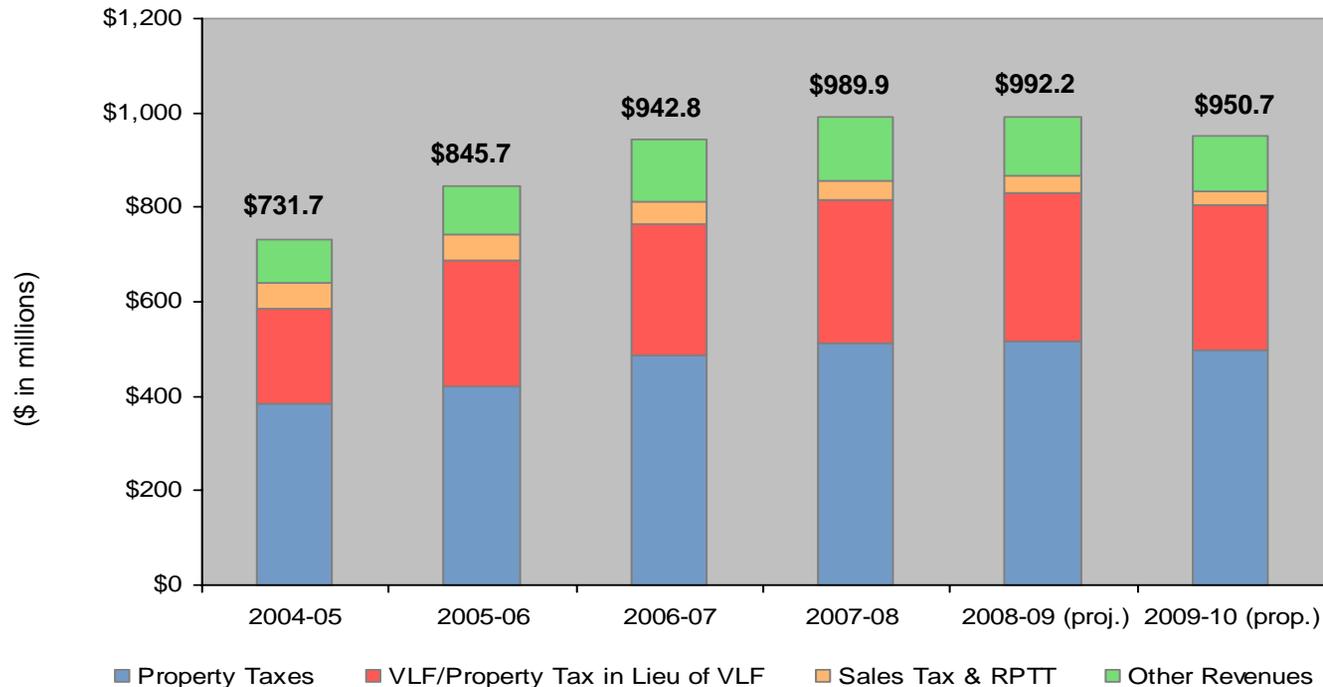
- Property Taxes \$496.3
- Property Tax in Lieu of VLF \$309.3
- Sales Tax and Real Property Transfer Tax \$29.3
- Other \$115.9



Historical General Purpose Revenue Composition

General Purpose Revenues by Source (\$ in millions)	Actuals 2004-05	Actuals 2005-06	Actuals 2006-07	Actuals 2007-08	Adopted 2008-09	Projected Actuals 2008-09	Proposed 2009-10
Property Taxes	384.20	421.71	484.92	510.82	543.06	514.24	496.28
VLF/Property Tax in Lieu of VLF	200.52	264.96	277.93	303.35	320.95	316.93	309.26
Sales Tax & RPTT	55.25	54.21	47.94	41.28	42.50	35.64	29.29
Other Revenues*	91.73	104.76	132.02	134.46	108.19	125.36	115.87
	731.70	845.65	942.81	989.91	1,014.70	992.17	950.71

* 'Other Revenues' is comprised of Teeter Property Tax, Interest Earnings, Redevelopment Agency Tax Increment, Fines, Forfeitures & Penalties, Prior Year Taxes, and other miscellaneous revenues.



Totals may not add up due to rounding.



Impact of the Governor's May Revise

- Suspension of Proposition 1A may result in the State borrowing 8% of local government property tax revenues.
 - \$67.0 million – County General Fund
 - \$2.4 million – County Library Fund
 - State required to repay local governments within three years
- State General Fund revenue for County child welfare services administration may be cut by 10%, the estimated impacts would be fewer Protective Service Workers and slower response and service times.
- State-proposed amendment to federal legislation to expand the Kinship-Guardianship Agreement Payment (KinGAP) program could shift costs to the federal government and counties.
- Proposed public health cuts impact HIV education and prevention and family health programs.
- Funding for certain substance abuse treatment programs may be eliminated; the impact to the County will be felt by both Alcohol and Drug Services and Probation.
- Changes to sentencing options for specified crimes, making them punishable by a jail term rather than state prison, may increase the County's share of inmates.
- More stringent eligibility criteria for In-Home Supportive Services (IHSS) would eliminate some existing services based on level of need, and is likely to result in several millions of dollars in savings to the County.
- The Board is committed to not backfilling State Revenues.
 - If revenues go away, expenditures go away.



Ongoing and Future Challenges

- Property tax base growth slowing
- Sales tax/vehicle license fees revenue shortfalls
- State structural budget issues
- Retirement investments



7. COUNTY RETIREMENT SYSTEM





San Diego County Employees Retirement Association (SDCERA)

SDCERA Pension Fund Facts (1)

Size of Fund	\$8.41 Billion
Participants	36,179
Active	18,041
Deferred	5,147
Retired	12,991
Deferred Retirement Option Plan (DROP)	No
Additional Retirement Credit	No
Retirement Board Size	9
Authority	1937 Retirement Act
Rating	S&P 'AAA'
Funded Ratio	94.4%
Unfunded Liability	\$485.5 Million
Smoothing Period	5 Years
Unfunded Liability Amortization	20-Year Fixed, Layered

(1) Based on Actuarial Valuation and Review as of June 30, 2008 prepared by The Segal Group, Inc.



Historical and Projected Pension Funding Status

- SDCERA's AAA rating and stable outlook reaffirmed in January 2009.
- The County prepaid \$164 million of its 2002 POBs.
- The County has included in its Fiscal Year 2009-10 Proposed Operational Plan, the prepayment of the outstanding \$100 million 2008B POBs.
- The County has contributed \$91.8 million over and above its pension Annual Required Contribution (ARC) since Fiscal Year 2004-05.
- Estimated total market value of assets as of March 31, 2009: \$5.6 billion.

Fiscal Year	County Contribution (millions)	UAAL (millions)	Funded Ratio
2006	\$244	\$1,232	83.6%
2007	258	832	89.7
2008	237	485	94.4
2009 ^(a)	234	982	89.5
2010 ^(a)	216	1,878	81.2
2011 ^(a)	264	2,828	73.5
2012 ^(a)	344	3,810	66.7
2013 ^(a)	431	4,674	61.7
2014 ^(a)	525	4,716	63.9
2015 ^(a)	614	4,677	66.5

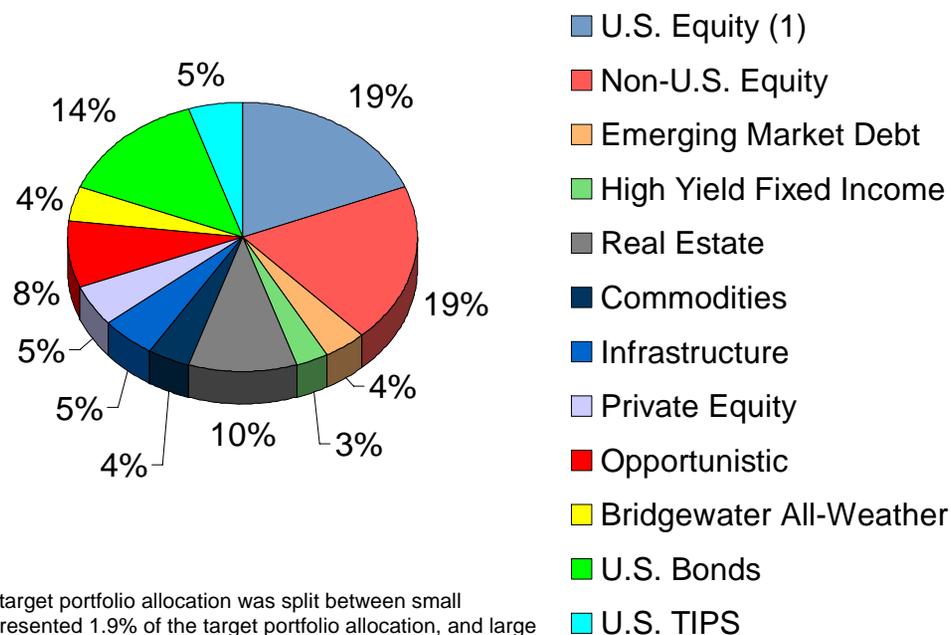
^(a) Projections based on a 32% loss for FY 2008-09 and the Assumed Rate of Return of 8.25% for the subsequent years



SDCERA Investment Strategy

- The Association is reducing the size of its Alpha Engine.
- Changed the amount allocated to hedge funds from 20% to 4%.
- SDCERA is in the process of hiring a new Chief Investment Officer and Chief Risk Officer.

Current Asset Allocation



(1) As of March 31, 2009, this target portfolio allocation was split between small capitalization stocks which represented 1.9% of the target portfolio allocation, and large capitalization stocks, which represented 17.1% of the target portfolio allocation.



County Policy Objectives for Pension System

- Ensure that the County Retirement System is appropriately funded.
- Pay the full annual retirement contribution as calculated by the SDCERA Actuary.
- Maintain strong, pro-active relationship with SDCERA.
- Pay in full the Other Post Employment Benefits (OPEB) ARC as determined by the SDCERA Actuary.





8. COUNTY INVESTMENT POOL





Investment Pool - Strength & Stability

- Pool Characteristics and Composition
 - Received highest credit rating for past ten consecutive years.
 - Conservative investment approach ensures a liquid portfolio of highly rated investments.
- Pool confidence results in record high balance of \$6.38 billion in April 2009.
- Diversification of security types, issuers and Pool participants reduces Pool's risk exposure.
- Successful pool management during volatile markets and credit crisis.
- Benchmark Portfolio effectively reduces volatility through a duration management strategy.



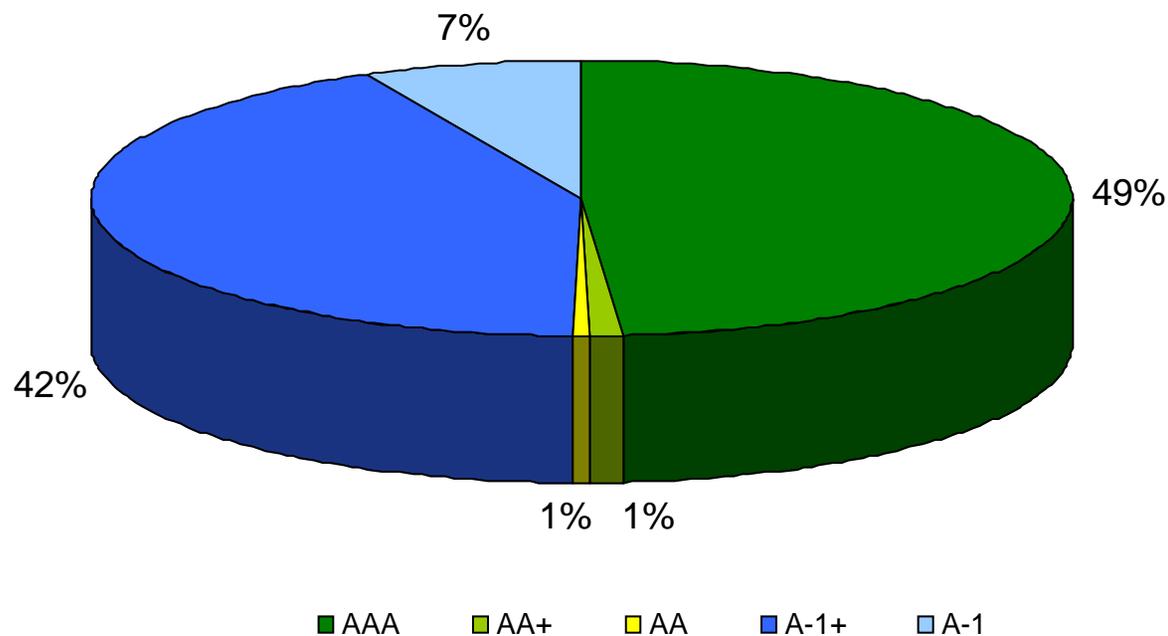


Pool Continues to Receive Highest Credit Rating

- The Pool has received the highest credit rating over the past ten consecutive years.
- Accordingly, the Pool's investments are highly rated.

San Diego County Pooled Money Fund

As of April 30, 2009



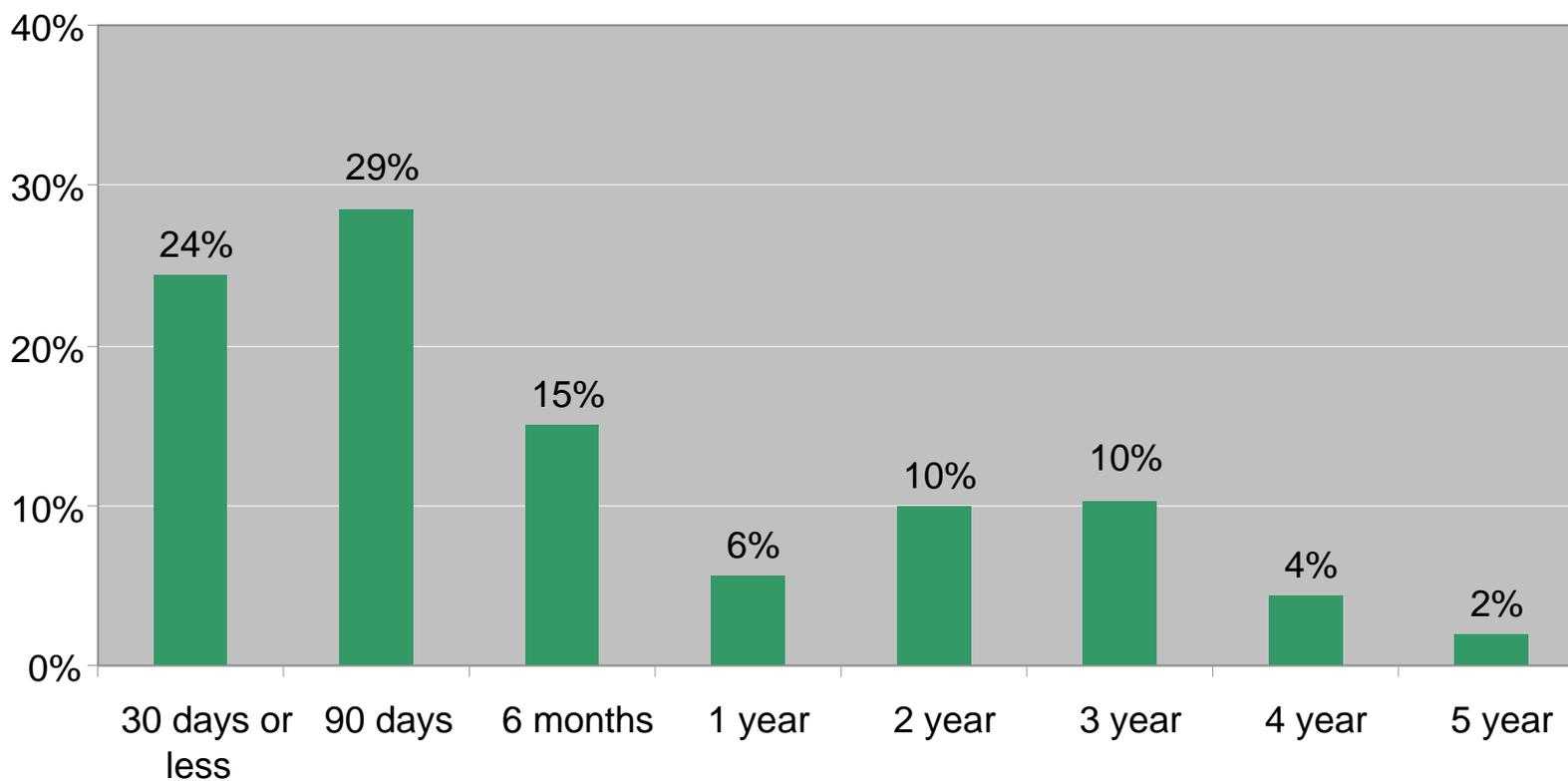
Source: San Diego County Treasurer-Tax Collector



Conservative Approach Ensures Sufficient Liquidity

- The Pool has excellent liquidity with 74% of the investments maturing within one year.

Maturity Distribution
As of April 30, 2009



Source: San Diego County Treasurer-Tax Collector

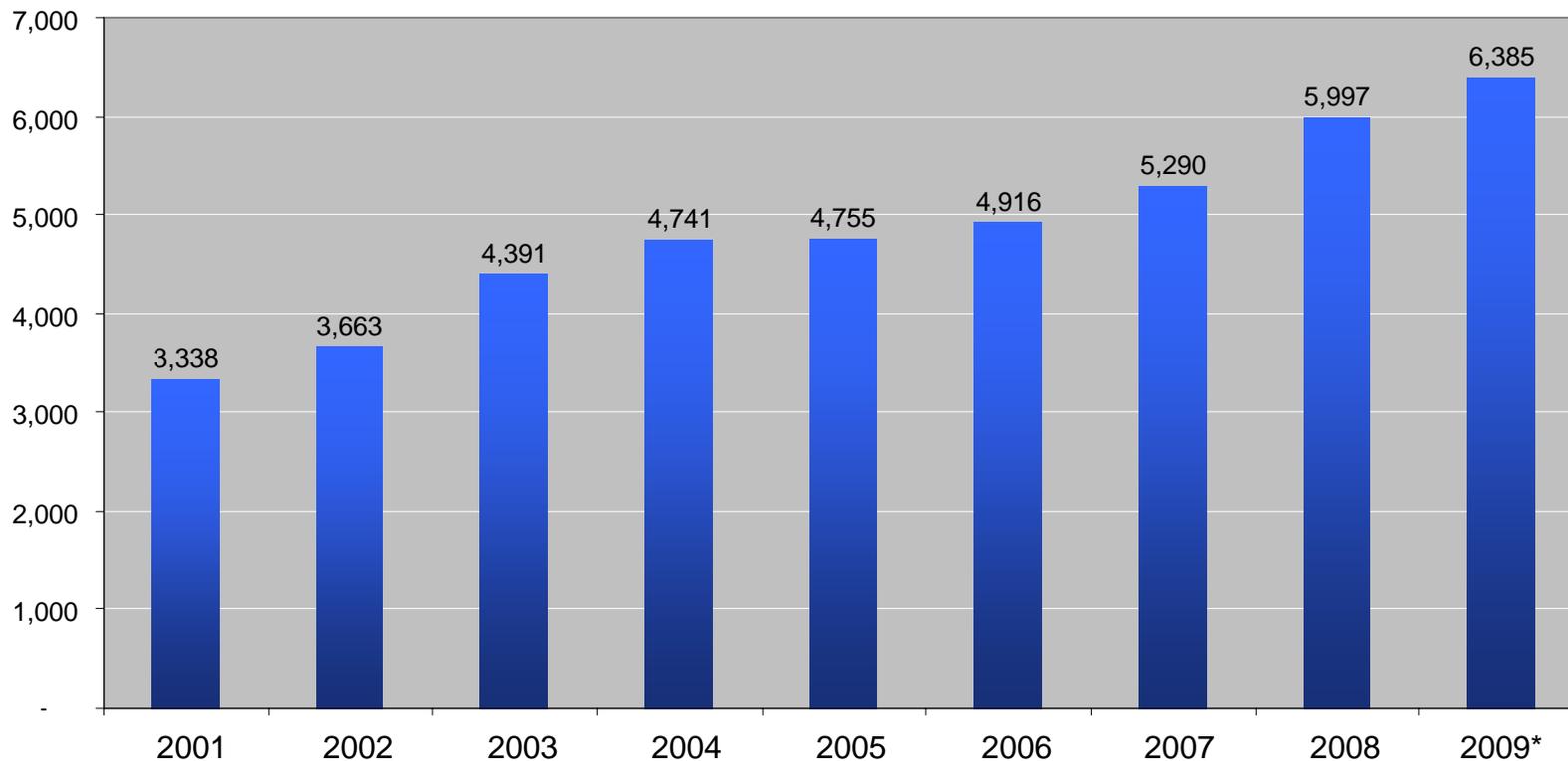


Pool Confidence Results in 2009 Record High

- The Pool reached a record high balance of \$6.385 billion in April due to increased revenues from taxes and new voluntary participants.

San Diego County Investment Pool
Highest balances from 2001-2009*

Millions



*2009 balance reflects highest balance reached between January 1, 2009 through April 30, 2009.

Source: San Diego County Treasurer-Tax Collector



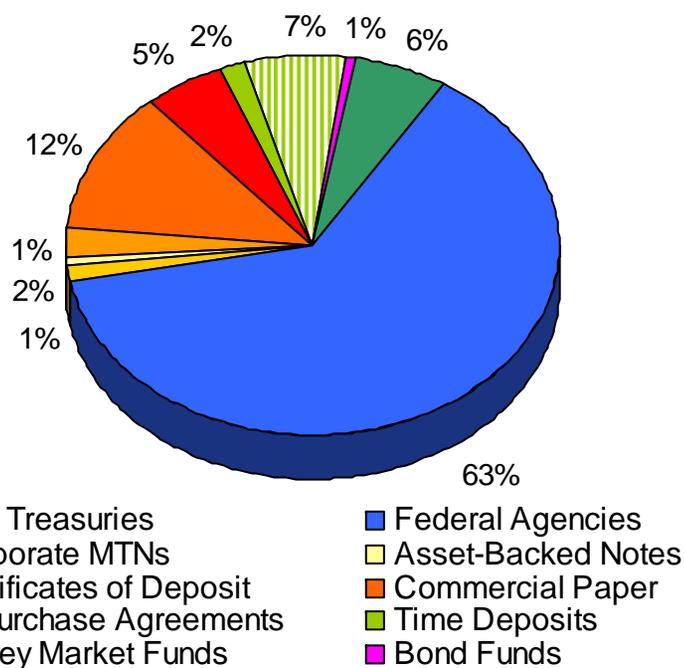
Diversification Lowers Pool's Risk

- The Pool is diversified by security type, issuers and participants.
- The Pool's diversification reduces exposure to credit risk and impact of unexpected withdrawals.

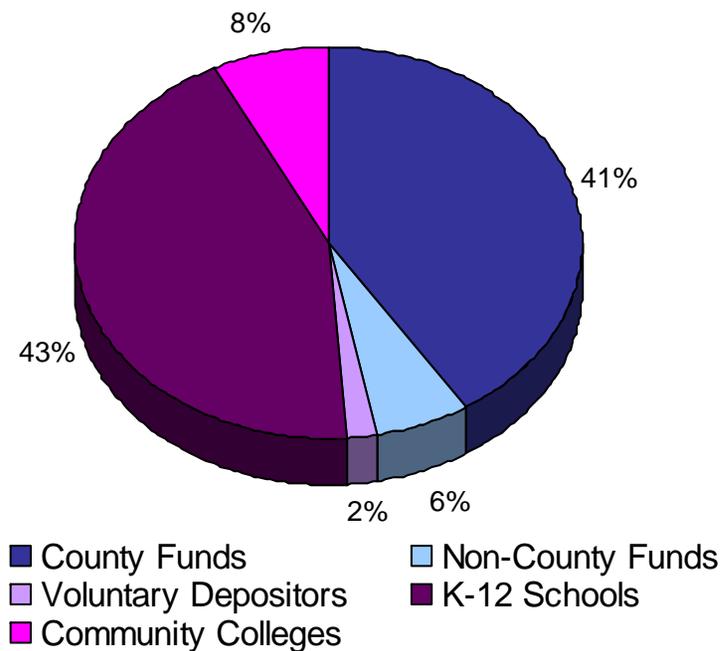
San Diego County Pooled Money Fund

As of April 30, 2009

Breakdown of Security Type



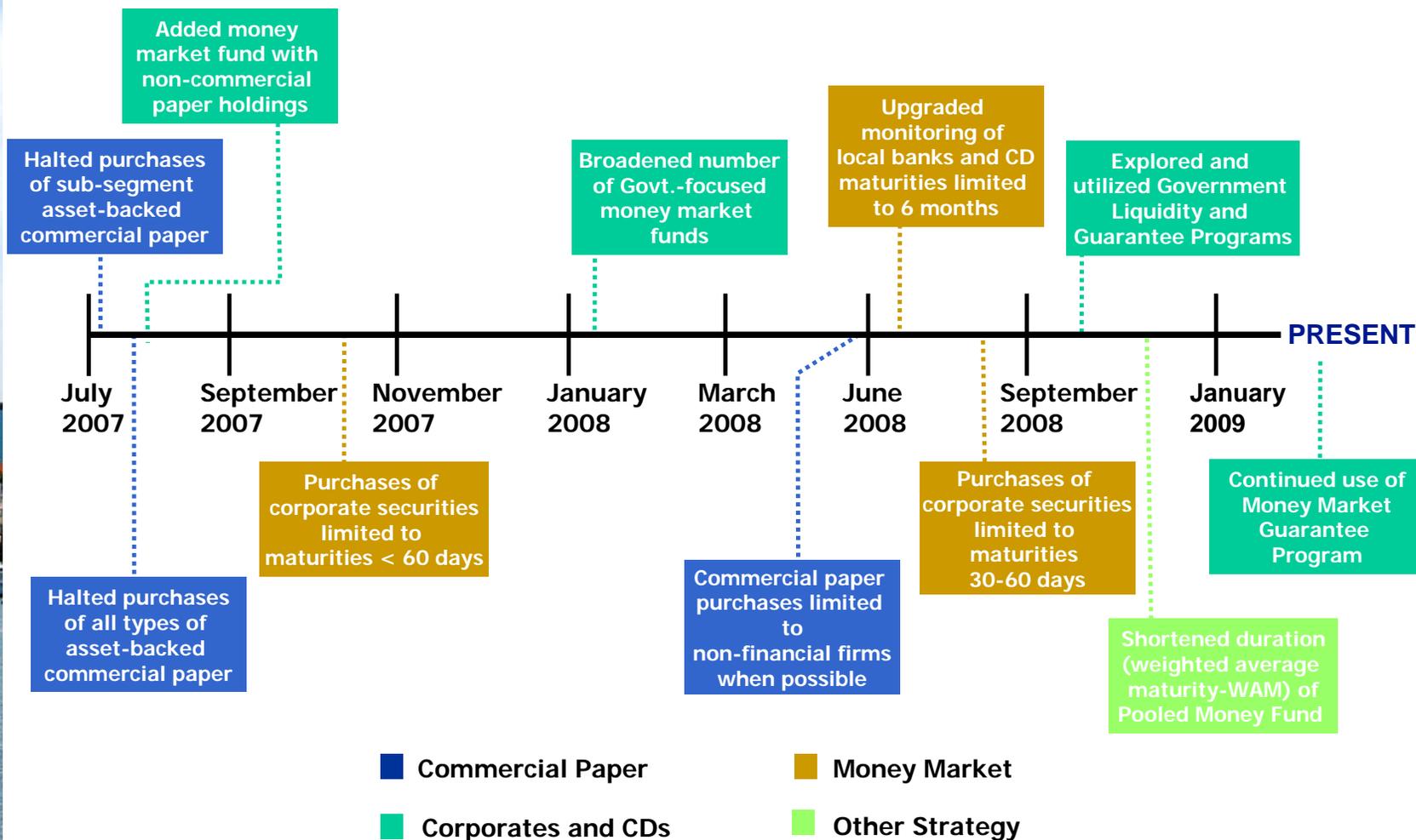
Breakdown of Participants



Source: San Diego County Treasurer-Tax Collector



Successful Management During Volatile Markets





Benchmark Portfolio Reduces Volatility

- Benchmark Portfolio strategy adopted in early 2007:
 - Established a \$1 billion portfolio within the County Pool which is managed to mirror the characteristics of a custom benchmark portfolio.
 - Benchmark Composition – duration of 1.6 years
 - 30% 0 -1 year US Treasury
 - 30% 0 – 5 year US Treasury
 - 30% 1 – 5 year US Government Agencies
 - 10% 1 – 5 year US Corporate
 - The strategy reduces volatility because it is managed similar to the benchmark, which lessens the effects of interest rate movements on this segment of the Pool.
 - Benchmark and liquidity portfolios are combined for performance and reporting purposes.
 - Combined portfolio is managed in accordance with California Code, Investment Policy and rating agency parameters.



Investment Performance

- The Pool's Benchmark Portfolio has outperformed its benchmark since inception.
- Since mid 2007, the Pool has earned consistent market rate of return while reducing credit exposure.

	YTD	1 Year	Annualized Since Inception 3/31/07
San Diego County Liquidity Portfolio	0.22%	2.75%	4.10%
San Diego County Benchmark Portfolio	0.17	3.80	5.99
San Diego County Blended Benchmark¹	0.16	3.13	5.55
San Diego County Treasury Pool	0.21	2.98	4.53

¹30% 1-5 Yr Treasury, 30% 1-5 Yr Agency, 10% 1-5 Yr AAA-A Corp, 30% 0-1 Yr Treasury.

Source: San Diego County Treasurer-Tax Collector



9. LONG-TERM DEBT OBLIGATIONS & CAPITAL FUNDING





Highlights

- Long-term Financial Obligation Management Policy
 - Provides guidelines for County's long-term obligations
 - Assigns Debt Advisory Committee to oversee County long-term obligations
- Continued the discipline of paying off debt early:
 - \$100 million 2002 Taxable POBs, Series C (PINES) in August 2007
 - \$20 million 2002 Taxable POBs, Series B-1 (ARS) in February 2008
 - \$44 million 2002 Taxable POBs, Series B-1 (ARS) in August 2008
 - \$100 million 2008 Taxable POBs (VRDOs) anticipated in July 2009
- Long range capital planning through the Capital Improvement Needs Assessment
- Cash financing of Capital Projects

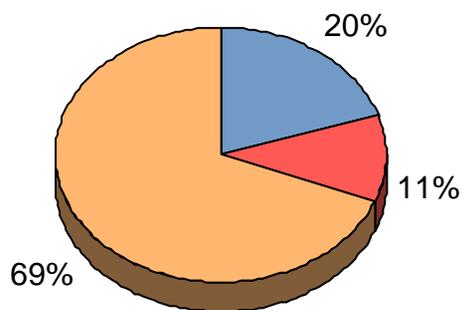


Long-Term Obligations Payable from the General Fund

Fiscal Year Ending June 30, 2009*
(in 000s)

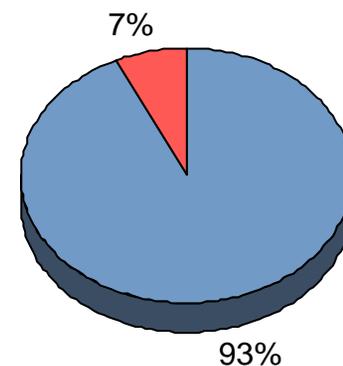
	Original Principal Amount	Principal Outstanding	% of Portfolio	2009-10 Principal Payment	Final Maturity Date
Certificates of Participation (COPs)	\$669,835	\$325,520	22%	\$33,855	2030
Lease Revenue Bonds (LRBs)	136,885	136,885	9%	0	2036
Pension Obligation Bonds (POBs)	1,029,843	1,005,956	69%	35,630	2028
Total	\$1,836,563	\$1,468,361	100%	\$69,485	

Outstanding Principal by Entity



- San Diego Capital Asset Leasing Corporation (SANCAL)
- San Diego Regional Building Authority (SDRBA)
- Pension Obligation Bonds

Outstanding Principal by Type



- Fixed Rate
- Variable Rate

*Data does not include prepayment of \$100 million of 2008B POBs.



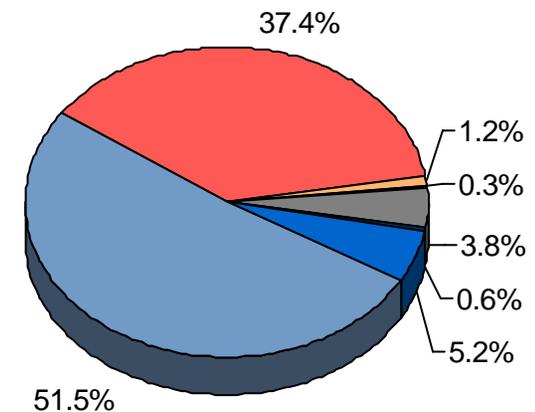
Fiscal Year 2009-10 Budgeted Payments

(in 000s)	Total	Net General Fund Cost	Redevelop't & Program Revenues	Penalty Assessment	Special Districts	Edgemoor Development Fund	Rents & Other Miscellaneous	POB Fund Balance
SANCAL	\$43,590	\$29,814	\$800	\$2,717	\$646	\$8,815	\$798	
SDRBA	2,935	2,426					509	
POBs	82,814	34,643	48,171					
2008B POBs (VRDOs)	100,000	51,194	36,806					12,000
Total	\$229,338	\$118,076	\$85,778	\$2,717	\$646	\$8,815	\$1,306	\$12,000

Debt Service Ratios ⁽¹⁾

County Debt Service Burden	3.76%
Debt Service Burden with SANCAL & SDRBA Offsets	3.34%
Debt Service Burden with all Offsets	1.94%

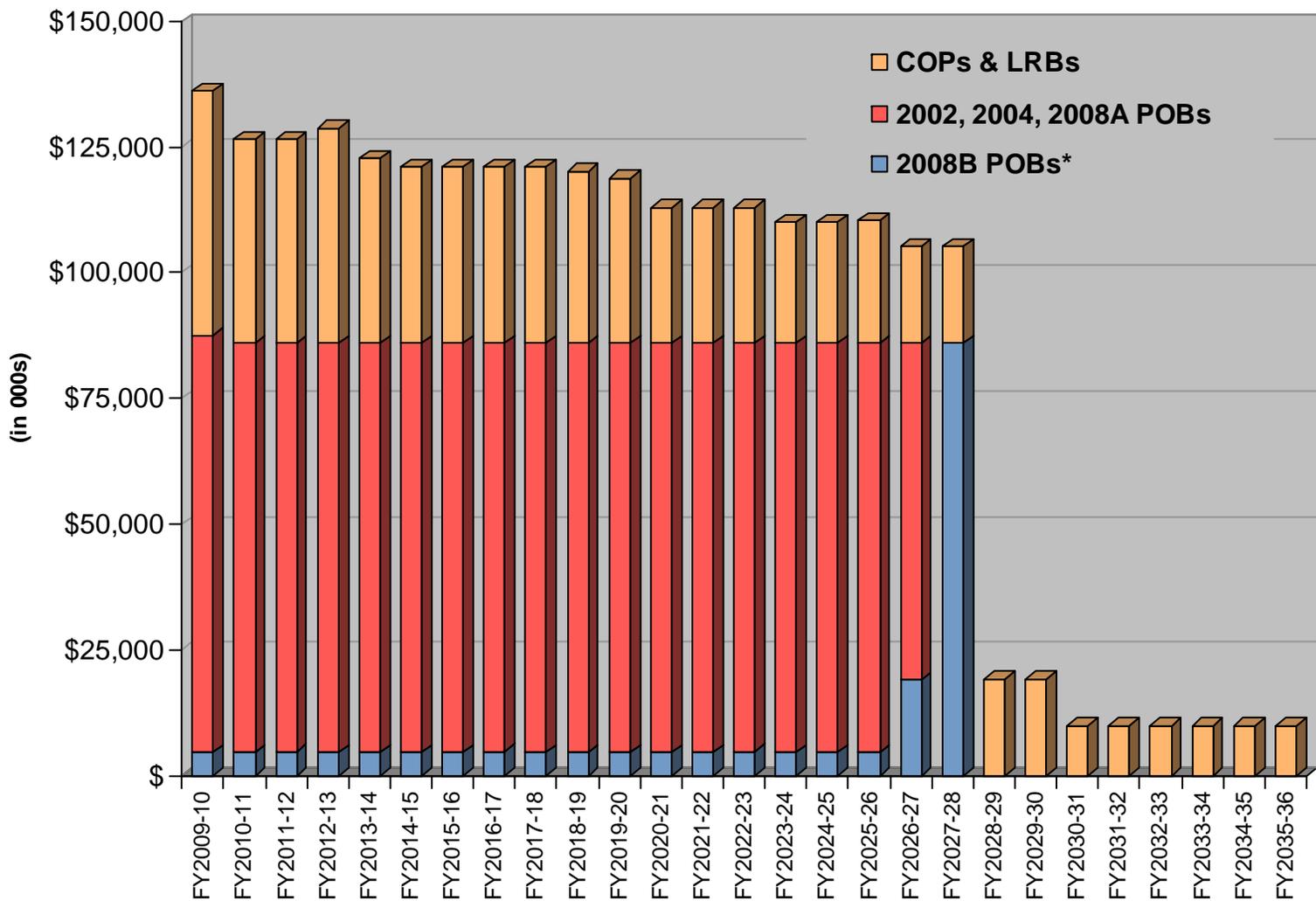
(1) Ratios are the Total Lease and Debt Service Payments as a Percent of General Fund Revenues, and do not reflect anticipated prepayment of the \$100 million 2008B POBs



- Net General Fund Cost
- Redevelopment & Program Revenues
- Penalty Assessment
- Special Districts
- Edgemoor Development Fund
- Rents & Other Misc.
- POB Fund Balance



General Fund Debt Profile



* Debt service for the variable rate POBs includes estimated fees specific to the variable rate transaction (e.g., broker-dealer, auction agent, or remarketing agent fees). Interest on the variable rate POBs is budgeted based upon the weighted average interest rate for the 12-month period ending March 31 of the preceding Fiscal Year plus 200 basis points pursuant to section 4.01 in the Amended and Restated Trust Agreement for FY09-10, and then assumes 10-year average of 1-month LIBOR at time of pricing (4.06%).



Monitoring Upcoming Capital and Financing Needs with the Capital Improvement Needs Assessment (CINA)

- Board of Supervisors Policy G-16: Capital Facilities and Space Planning

- August - Annual Call for Projects
- Facilities Planning Board Review
- Recommendations for inclusion in CINA
- Chief Administrative Officer - Review and Approval
- Board of Supervisors - Review and Approval
- Inclusion in Operational Plan

- County has a history of cash financing capital projects: \$255 million over the last four years

Capital Improvement Needs Assessment (CINA) Program 2009-2014 Major Projects

(in millions)	Project Estimate	Amount Funded	Estimated		Potential Funding Source(s)
			Remaining		
Women's Detention Facility (1)	\$ 298.8	\$ 3.6	\$ 295.2		County, \$100mm AB900 St Provisional Award
County Operations Center Phase 1B (1)	150.0	-	150.0		County
Sheriff Station - Rancho San Diego	17.0	11.0	6.0		County
Multiple Species Conservation Prog Land Acquisition	48.4	33.6	14.8		County, State, Federal, Private Donations
Regional Communications System Replacement	116.8	-	116.8		County, Cities
Corrections Corporation of America Site - East Mesa	18.0	-	18.0		County
Otay Valley River Active Recreation Site	15.0	0.4	14.6		State, Federal
Tijuana River Valley Sports Field	20.0	0.5	19.5		County, State, Federal
CAC Waterfront Park (1)	73.0	6.9	70.1		County
Total	\$ 757.0	\$ 51.9	\$ 705.1		

¹ May result in future debt financing



10. FISCAL YEAR 2009-10 TRANS





Fiscal Year 2009-10 TRANS*

- Preliminary Size
 - \$220 million
- Final Maturity
 - 6/30/2010
- Investment of Note Proceeds
 - County Pool
 - Alternative Investments
- Anticipated Set-asides
 - January 2010 (60%)
 - April 2010 (40%)

* Preliminary, subject to change



TRANS Financing Schedule*

Date	Activity
May 12	■ County Board of Supervisors Approved Financing
June 1	■ Receive Ratings ■ Post Preliminary Official Statement
Week of June 8	■ Price Transaction
July 1	■ Close and Invest Proceeds

*Preliminary, subject to change



Fiscal Year 2008-09 Projected/Actual Cashflows

COUNTY OF SAN DIEGO GENERAL FUND MONTHLY CASH FLOW SUMMARY FISCAL YEAR 2008/2009 ACTUAL-ESTIMATED															
As of May 21, 2009															
(in thousands)															
	Jul Actual	Aug Actual	Sep Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Estimate	Jun Estimate	Total	TRANS BUD	Variance
1 Beginning Cash Balance	612,419												612,419	598,005	
Revenue Categories:															
2 Taxes Current Property	18	7,264	1,564	7,204	13,254	185,681	68,229	10,248	11,013	165,736	28,746	15,305	514,262	543,062	(28,800)
3 Taxes Other Than Current Secured	2,228	7,892	7,528	17,406	7,475	15,042	172,717	7,186	5,780	5,939	157,139	17,045	423,377	413,378	10,000
Licenses, Permits & Franchises	2,508	2,289	3,243	2,304	1,876	3,670	3,054	2,331	2,545	8,173	3,284	2,781	38,058	37,216	842
Fines, Forfeitures & Penalties	1,033	2,375	1,624	5,775	1,968	1,715	3,736	3,197	3,404	2,922	10,980	12,162	50,891	50,719	172
Revenue Use - Money & Property	3,385	8,450	868	1,119	4,101	845	3,370	710	905	3,811	1,251	653	29,469	31,298	(1,829)
Intergovernmental Revenue	71,397	83,481	134,628	174,578	65,586	136,786	164,049	87,322	96,576	163,695	153,266	203,094	1,534,460	1,795,314	(260,854)
Charges for Current Services	38,260	17,462	19,605	23,006	14,122	22,936	28,818	21,596	24,529	33,492	22,354	20,028	286,208	281,652	4,556
Miscellaneous Revenue	3,609	1,604	2,001	1,613	878	1,962	27,149	2,502	4,754	1,432	8,228	2,983	58,716	37,733	20,983
Other Financing Sources	21,892	232	47,530	17,943	21,412	239	39,593	14,660	27,647	14,570	16,793	8,323	230,834	265,834	(35,000)
Total Revenues	144,331	131,050	218,591	250,949	130,672	368,875	510,716	149,753	177,152	399,770	402,041	282,374	3,166,275	3,456,205	(289,931)
4 Teeter Receipts	18,134	9,292	11,872	12,658	9,091	16,347	9,336	5,195	4,839	3,509	2,837	3,264	106,374	75,000	31,374
Short Term Borrowing (Trans)	75,000												75,000	75,000	0
Total Receipts	237,465	140,342	230,463	263,607	139,763	385,222	520,052	154,948	181,991	403,279	404,879	285,638	3,347,649	3,606,205	(258,557)
Expenditure Categories:															
5 Salaries & Employee Benefits	451,824	124,543	92,935	135,646	88,990	82,264	82,545	82,034	82,120	83,468	127,555	87,902	1,521,825	1,564,888	(43,062)
Services and Supplies	78,274	83,375	82,061	82,575	68,155	68,633	73,121	75,047	73,779	78,162	91,756	131,528	986,465	1,239,883	(253,418)
Other Charges	79,615	44,327	47,685	42,410	30,572	73,900	39,729	37,103	47,569	51,542	39,199	36,694	570,345	558,359	11,986
Fixed Assets - Equipment	1,358	608	579	1,469	1,122	816	1,397	148	631	795	1,055	1,898	11,874	5,385	6,489
Operating Transfers	21,038	1,384	14,270	5,116	5,731	18,247	6,294	68,739	8,002	4,793	4,335	15,409	173,358	164,935	8,423
6 Total Expenditures	632,108	254,237	237,530	267,216	194,569	243,859	203,085	263,071	212,102	218,760	263,900	273,431	3,263,868	3,533,449	(269,581)
Teeter Disbursements							60,000	15,000				152,000	152,000	194,000	(42,000)
Short-Term Borrowing (Trans)													75,000	75,000	0
Total Disbursements	632,108	254,237	237,530	267,216	194,569	243,859	263,085	278,071	212,102	218,760	263,900	425,431	3,490,868	3,802,449	
General Fund Ending Cash	217,776	103,880	96,813	93,204	38,398	179,761	436,729	313,605	283,495	468,014	608,993	469,199	469,199	401,761	67,439
7 Tobacco Tax Settlement Ending Cash	7,923	8,130	8,130	8,130	8,195	8,195	8,252	8,252	8,252	8,300	8,300	8,300	8,300	7,923	(377)
Ending Cash Balances	225,699	112,010	104,943	101,333	46,593	187,956	444,981	321,858	291,747	476,314	617,293	477,499	477,499	409,684	67,816

Footnotes:

- 1 Actual beginning Cash Balance is the Cash Balance on June 30, 2008 for the General Fund only.
- 2 Property tax payments are received in Dec and April. The County participates in the alternative method of secured property tax apportionment (the TEETER Plan) available under the Revenue and Taxation Code of the State of California.
- 3 VLF- in- lieu payments are apportioned each Jan and May.
- 4 Teeter cash receipts of \$75 M are reflected in the General Fund because the County will continue to internally fund the Teeter Plan.
- 5 July includes \$261.5 M Retirement Advance, \$86.1 M Pension Obligation Bond payments and \$20.8 M OPEB. October and May have 3 pay periods. The third pay period does not include health benefits. September includes two Quality First payments, Oct includes three and Nov includes one.
- 6 Other Charges include \$34.1M for COPs (Certificates of Participation).
- 7 The Tobacco Settlement Trust fund represents amounts that are available to the General Fund, however, to facilitate tracking of these balances, they are maintained in a separate trust fund.



Fiscal Year 2009-10 Projected Cashflows

COUNTY OF SAN DIEGO GENERAL FUND MONTHLY CASH FLOW SUMMARY FISCAL YEAR 2009/2010 ESTIMATED													
(in thousands)													
	Jul Estimate	Aug Estimate	Sep Estimate	Oct Estimate	Nov Estimate	Dec Estimate	Jan Estimate	Feb Estimate	Mar Estimate	Apr Estimate	May Estimate	Jun Estimate	Total
1 Beginning Cash Balance	477,499												477,499
Revenue Categories:													
2 Taxes Current Property	983	6,048	1,510	6,955	12,795	179,259	65,870	9,894	10,632	150,223	37,339	14,775	496,283
3 Taxes Other Than Current Secured	2,138	7,574	7,224	16,704	7,174	14,435	165,747	6,896	5,547	7,490	150,797	12,744	404,469
Licenses, Permits & Franchises	2,572	2,347	3,325	2,362	1,923	3,763	3,131	2,390	2,609	8,075	3,367	2,852	38,716
Fines, Forfeitures & Penalties	1,176	2,703	1,848	6,572	2,240	1,951	4,252	3,639	3,873	7,830	7,316	8,695	52,096
Revenue Use - Money & Property	2,118	5,289	544	701	2,567	529	2,110	445	1,192	713	783	409	17,399
Intergovernmental Revenue	84,624	98,946	159,567	189,140	95,515	162,126	194,438	103,498	114,467	160,128	211,290	285,756	1,859,494
Charges for Current Services	33,566	15,320	17,200	20,184	12,390	20,122	25,283	18,947	21,520	17,879	31,086	37,094	270,593
Miscellaneous Revenue	2,235	993	1,239	999	544	1,215	3,808	1,550	2,944	1,408	5,096	1,848	23,879
Other Financing Sources	23,603	27,204	21,057	22,580	23,085	21,820	21,124	15,805	20,885	11,998	14,782	24,930	248,873
Total Revenues	153,016	166,423	213,514	266,196	158,232	405,220	485,764	163,063	183,670	365,744	461,857	389,103	3,411,803
4 Teeter Receipts	17,019	8,721	11,142	11,880	8,532	15,342	8,762	4,876	4,542	3,458	2,663	3,064	100,000
Short Term Borrowing (Trans)	220,000												220,000
Total Receipts	390,035	175,144	224,656	278,076	166,764	420,562	494,526	167,939	188,211	369,202	464,520	392,167	3,731,803
Expenditure Categories:													
5 Salaries & Employee Benefits	519,196	86,542	86,542	123,762	86,542	86,542	86,542	86,542	86,542	123,762	86,542	86,542	1,545,599
Services and Supplies	77,093	83,396	82,924	104,006	91,291	97,452	113,750	102,182	93,345	92,388	138,050	169,908	1,245,784
6 Other Charges	98,178	46,924	49,818	45,701	32,648	77,221	41,249	42,947	49,998	42,279	41,820	40,301	609,082
Fixed Assets - Equipment	690	161	113	55	279	357	146	262	1,041	359	146	262	3,871
Operating Transfers	6,585	6,449	6,743	6,421	6,364	6,364	5,687	7,011	3,288	3,288	7,288	7,288	72,772
Total Expenditures	701,742	223,471	226,139	279,945	217,123	267,936	247,374	238,944	234,213	262,076	273,845	304,301	3,477,108
7 Teeter Disbursements												152,000	152,000
Short-Term Borrowing (Trans)							132,000			88,000			220,000
Total Disbursements	701,742	223,471	226,139	279,945	217,123	267,936	379,374	238,944	234,213	350,076	273,845	456,301	3,849,108
Month End Cash Balance	165,793	117,466	115,984	114,114	63,755	216,382	331,534	260,529	214,527	233,654	424,328	360,195	360,195

Footnotes:

- 1 Estimated Beginning Cash Balance includes Tobacco Settlement Trust of \$8.3 M. The Tobacco Settlement Trust fund represents amounts that are available to the General Fund, however, to facilitate tracking of these balances, they are maintained in a separate fund.
- 2 Property tax payments are received in Dec and April. The County participates in the alternative method of secured property tax apportionment (the TEETER Plan) available under the Revenue and Taxation Code of the State of California.
- 3 VLF- in- lieu payments are apportioned each Jan and May.
- 4 Teeter cash receipts of \$100 M are reflected in the General Fund because the County will continue to internally fund the Teeter Plan.
- 5 July includes \$239M Retirement Advance, \$20M in OPEB, \$86M annual POB payment and an additional \$88M POB pay down. October and April have 3 pay periods. The third pay period does not include health benefits.
- 6 July includes \$46.5M COPS annual lease payment
- 7 Teeter buy-out in June is based on changes in Assessed Value and delinquencies.



11. CLOSING REMARKS





Conclusion

- Consistent with our strategic plan and objectives, we have maintained a structurally balanced budget through good times and bad, and will continue to do so.
- We are well-positioned to manage the challenges at hand, including the economic slowdown, impact of State budgetary actions, and changing needs of our residents.
 - The County Board maintains its position of making necessary budget cuts given the economic situation.
 - The County Board is proactively managing its cost structure in the near-term and for the long-term, approving a balanced proposed Operational Plan and a new Tier B for its retirement plan.
- We have institutionalized and maintained conservative and prudent fiscal management practices.
 - Consistently strong fund balances and stable reserves.
 - On-going assessment of current and future capital needs.
- We have maintained fiscal stability in challenging market conditions.
- We operate within a diversified, resilient economy.



APPENDIX:

Historical Cashflows

**COUNTY OF SAN DIEGO
GENERAL FUND MONTHLY CASH FLOW SUMMARY
FISCAL YEAR 2007/2008 ACTUAL
(in thousands)**

	Jul Actual	Aug Actual	Sep Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun Actual	Total
1 Beginning Cash Balance	610,477												610,477
Revenue Categories:													
2 Taxes Current Property	2,331	8,137	1,916	6,674	17,314	179,734	65,853	5,307	12,212	162,999	46,658	30,120	539,254
3 Taxes Other Than Current Secured	4,341	8,776	5,905	20,524	6,977	8,079	164,230	7,136	4,635	7,781	164,771	8,640	411,796
Licenses, Permits & Franchises	2,059	2,346	2,169	2,484	2,108	3,417	2,990	2,665	2,399	7,659	2,807	2,894	35,996
Fines, Forfeitures & Penalties	4,617	2,415	1,981	1,851	1,972	5,633	1,180	7,144	4,463	10,943	5,340	9,066	56,604
Revenue Use - Money & Property	2,075	12,697	599	6,032	5,927	52	99	4,930	1,157	156	7,374	1,694	42,792
Intergovernmental Revenue	71,148	97,078	66,437	123,866	111,246	131,449	162,388	141,437	108,123	110,678	201,435	200,561	1,525,845
Charges for Current Services	27,047	17,947	16,562	12,808	16,277	18,007	22,794	28,845	18,470	19,845	21,844	29,650	250,096
Miscellaneous Revenue	3,088	693	846	1,407	2,262	917	3,601	846	1,043	1,378	3,188	6,635	25,904
Other Financing Sources	51,892	17,501	17,961	21,453	3,656	40,566	22,722	16,608	28,732	16,245	19,795	25,286	282,416
Total Revenues	168,597	167,592	114,376	197,098	167,740	387,854	445,856	214,918	181,232	337,684	473,213	314,545	3,170,703
4 Teeter Receipts	23,595	6,747	6,369	6,380	5,545	6,024	6,958	4,811	3,531	4,110	6,065	6,065	86,201
Short Term Borrowing (Trans)	96,000	-	-	-	-	-	-	-	-	-	-	-	96,000
Total Receipts	288,192	174,339	120,745	203,478	173,285	393,877	452,815	219,729	184,763	341,794	479,278	320,610	3,352,905
Expenditure Categories:													
5 Salaries & Employee Benefits	427,659	83,186	90,955	90,516	132,812	81,173	82,233	83,381	82,404	82,559	131,692	95,130	1,463,698
Services and Supplies	63,984	61,380	81,819	67,986	71,767	76,102	60,620	86,697	76,417	84,020	76,251	156,382	963,426
6 Other Charges	75,497	42,161	44,058	34,813	38,786	33,402	60,942	40,067	42,009	50,030	36,290	27,459	525,514
Fixed Assets - Equipment	2,197	512	358	176	889	1,136	464	836	3,315	1,143	520	335	11,882
A Operating Transfers	5,030	1,714	3,339	1,672	106	4,182	71	8,197	1,709	5,757	4,293	11,185	47,254
Additional \$18M POB								18,000			(6,935)		11,065
7 PINES	-	95,000	-	-	-	-	-	-	-	-	-	-	95,000
Total Expenditures	574,368	283,953	220,529	195,164	244,360	195,996	204,330	237,177	205,854	223,510	242,111	290,491	3,117,840
B Short-Term Borrowing (Trans)	-	-	-	-	-	-	95,814	-	-	-	-	-	95,814
8 Teeter Disbursements	-	-	-	-	-	-	-	-	-	-	-	137,309	137,309
Total Disbursements	574,368	283,953	220,529	195,164	244,360	195,996	300,144	237,177	205,854	223,510	242,111	427,799	3,350,963
TRANS with fiscal agent	(95,814)		95,814										-
GF Month End Cash Balance	228,487	118,873	114,903	123,217	52,142	250,024	402,694	385,246	364,156	482,440	719,608	612,418	612,419
Month End Tobacco Fund 71030 Cash Balance	7,771	7,902	7,900	7,786	7,880	7,880	7,880	7,976	7,970	7,970	7,970	7,970	7,970
Ending Available Cash Balance	236,259	126,775	122,804	131,004	60,023	257,904	410,575	393,223	372,126	490,410	727,578	620,388	620,389

Footnotes:

- 1 Actual Beginning Cash Balance is the cash balance at June 30, 2007 for the General Fund only.
 - 2 Property tax payments are received in Dec and April. The County participates in the alternative method of secured property tax apportionment (the TEETER Plan) available under the Revenue and Taxation Code of the State of California.
 - 3 VLF- in- lieu payments are apportioned each Jan and May.
 - 4 Teeter cash receipts are reflected separately, however, they have been budgeted in the General Fund this FY as either Taxes Current or Taxes Other.
 - 5 July includes \$279.5M Retirement Advance, \$69.1M Pension Obligation Bond payments, and \$85M in S&B. November and May have 3 pay periods. The third pay period does not include health benefits. September and October include two Quality First payments and Aug and Nov include one.
 - 6 Other Charges include \$39.9M for COPs (Certificates of Participation).
 - 7 The County will pay off \$100M of Pension Obligation Bonds in August 2007, of which \$95M is the General Fund share.
 - 8 Teeter Disbursements are \$157M. Additional \$35.5M added to previously budgeted amount.
- A Additional \$18M POB (not previously budgeted) paid in Feb.
B TRANS segregation transferred during January rather than as scheduled.

COUNTY OF SAN DIEGO
GENERAL FUND MONTHLY CASH FLOW SUMMARY
FISCAL YEAR 2008/2009 ESTIMATED (Per TRANS Presentation)
(in thousands)

	Jul Estimate	Aug Estimate	Sep Estimate	Oct Estimate	Nov Estimate	Dec Estimate	Jan Estimate	Feb Estimate	Mar Estimate	Apr Estimate	May Estimate	Jun Estimate	Total
1 Beginning Cash Balance	598,005												598,005
Revenue Categories:													
2 Taxes Current Property	2,450	8,552	2,013	7,014	18,197	188,907	69,214	5,578	12,835	171,318	40,828	16,156	543,062
3 Taxes Other Than Current Secured	4,473	9,043	6,085	21,148	7,189	8,325	169,225	7,353	4,776	8,018	154,101	13,642	413,378
Licenses, Permits & Franchises	2,117	2,412	2,230	2,554	2,168	3,514	3,074	2,740	2,466	7,875	3,284	2,781	37,216
Fines, Forfeitures & Penalties	4,756	2,488	2,041	1,907	2,031	4,588	1,216	6,144	4,598	11,274	2,914	6,762	50,719
Revenue Use - Money & Property	1,852	11,333	535	5,384	5,290	537	401	3,597	1,032	140	544	653	31,298
Intergovernmental Revenue	60,849	92,501	133,098	151,200	135,795	160,456	202,323	172,648	131,983	135,101	178,266	241,094	1,795,314
Charges for Current Services	27,773	18,430	17,007	13,152	16,715	18,491	23,406	29,620	18,966	20,378	35,433	42,281	281,652
Miscellaneous Revenue	5,093	1,144	1,395	2,320	3,731	1,512	5,939	1,396	1,720	2,273	8,228	2,983	37,733
Other Financing Sources	48,277	16,282	16,710	19,959	3,401	37,740	21,139	15,451	26,731	15,113	20,053	24,975	265,834
Total Revenues	157,641	162,185	181,114	224,638	194,518	424,070	495,938	244,528	205,106	371,490	443,651	351,327	3,456,205
4 Teeter Receipts	23,432	6,700	6,325	6,336	5,507	5,982	6,910	3,288	3,308	3,684	1,837	1,688	75,000
Short Term Borrowing (Trans)	75,000												75,000
Total Receipts	256,073	168,885	187,439	230,974	200,025	430,052	502,848	247,816	208,415	375,175	445,488	353,016	3,606,205
Expenditure Categories:													
5 Salaries & Employee Benefits	455,090	88,039	133,640	140,177	92,292	88,039	88,039	88,039	88,039	88,039	127,555	87,902	1,564,888
Services and Supplies	71,325	67,643	96,549	96,986	102,332	113,458	102,410	124,673	103,886	114,222	123,195	123,204	1,239,883
Other Charges	78,526	36,169	48,719	39,891	38,929	35,976	65,970	41,372	55,265	41,648	39,199	36,694	558,359
Fixed Assets - Equipment	960	442	377	77	388	558	203	365	948	499	203	365	5,385
Operating Transfers	7,018	7,597	12,718	12,170	11,981	16,129	15,546	14,141	18,776	14,335	14,335	20,189	164,935
Total Expenditures	612,918	199,889	292,002	289,301	245,921	254,160	272,168	268,591	266,914	258,743	304,487	268,354	3,533,449
6 Teeter Disbursements												194,000	194,000
Short-Term Borrowing (Trans)							60,000	15,000					75,000
Total Disbursements	612,918	199,889	292,002	289,301	245,921	254,160	332,168	283,591	266,914	258,743	304,487	462,354	3,802,449
Month End Cash Balance	241,160	210,156	105,592	47,266	1,369	177,261	347,940	312,166	253,667	370,098	511,099	401,761	401,761

Footnotes:

- 1 Estimated Beginning Cash Balance includes Tobacco Settlement Trust of \$7.9 M. The Tobacco Settlement Trust fund represents amounts that are available to the General Fund, however, to facilitate tracking of these balances, they are maintained in a separate trust fund.
- 2 Property tax payments are received in Dec and April. The County participates in the alternative method of secured property tax apportionment (the TEETER Plan) available under the Revenue and Taxation Code of the State of California.
- 3 VLF- in- lieu payments are apportioned each Jan and May.
- 4 Teeter cash receipts of \$75 M are reflected in the General Fund because the County will continue to internally fund the Teeter Plan.
- 5 July includes \$261.5 M Retirement Advance, \$86.1 M Pension Obligation Bond payments and \$20.8 M OPEB. October and May have 3 pay periods. The third pay period does not include health benefits. September includes two Quality First payments, Oct includes three and Nov includes one.
- 6 Teeter buy-out in June is based on an increase in AV growth and increase in delinquencies.