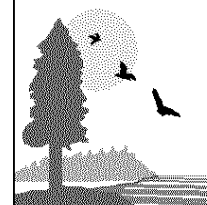


DUE DECEMBER 31

Pursuant to Public
Resources Code § 6306

Granted Public Trust Lands Standardized Reporting Form



Fiscal/Calendar Year: FY 2014/15

Grantee Name: County of San Diego
Contact Person: Lisa Keller-Chiodo
Contact Phone: 916.557.4192
Mailing Address: 1600 Pacific Highway, Room 212
San Diego CA 92102

1. Funds

- a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?

YES NO

If "No", under what fund are they accounted for? If "Yes," please list the name(s) of the fund(s)

Trust Fund 31405 Waterfront Operations and Maintenance

- b. Are separate financial statements prepared for the trust?

YES NO

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)) If "Yes," describe the organization of the separate financial statement.

County's CAFR report and Trial Balance - Detailed Balance Sheet - All Funds - GL051

2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? \$417,000

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease) Please see attached.

3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? \$444,475

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended. \$114,285 Please see attached.

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

None.

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.

None.

4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.

Beginning Balance \$13,346 Ending Balance \$302,467

For all questions, please give the page number where the information can be found in your accompanying financial document. Please use additional pages as necessary.

**COUNTY OF SAN DIEGO-WATERFRONT PARK
SUMMARY OF REVENUE AND EXPENDITURES
FISCAL YEAR 2014-2015**

| REVENUE | |
|---------------------------|-------------------|
| Leases | \$ 11,497 |
| Vending Machine | \$ 3,165 |
| Concession | \$ 6,734 |
| Park Reservations/Classes | \$ 163,601 |
| Parking | \$ 232,003 |
| TOTAL REVENUE | \$ 417,000 |

| EXPENDITURES | |
|----------------------------------|-------------------|
| Uniform Expense | \$ 564 |
| Housekeeping Supplies | \$ 671 |
| Maintenance of Structure Expense | \$ 2,553 |
| Membership | \$ 203 |
| Office Expense | \$ 9,603 |
| Printing Expense | \$ 593 |
| Professional Services Expense | \$ 3,206 |
| Inter-Departmental Expense | \$ 4,133 |
| Contracted Services | \$ 3,937 |
| Small Tools Expense | \$ 685 |
| Special Department Expense | \$ 18,577 |
| Minor Equipment | \$ 40,908 |
| Employee Auto | \$ 25 |
| Facility Management Cost | \$ 9,256 |
| Major Maintenance | \$ 19,371 |
| TOTAL EXPENDITURES | \$ 114,285 |

Note: Only \$62,805 of the total Services and Supplies was reimbursed during FY1415

COSD
 TRIAL BALANCE - DETAILED BALANCE SHEET - ALL FUNDS - GL051
 Current Period: JUN-15

Date: 22-DEC-15 13:32:22
 Page: 1

Currency: USD
 FUND=61405 (WATERFRONT OPERATION AND MTNCE)

| SUMMARY | ACCOUNT | FISCAL YTD BALANCE |
|-------------------------------------|---------------------------------|-----------------------|
| ----- | | |
| ASSETS | | |
| A1010 CASH IN TREASURY | 10100 CASH IN TREASURY | 357,217.84 |
| A1010 CASH IN TREASURY | TOTAL | 357,217.84 |
| A1056 A/R RENTS & LEASES RECEIVABLE | 11041 ORACLE AR RENT RECEIVABLE | 322.64 |
| A1056 A/R RENTS & LEASES RECEIVABLE | TOTAL | 322.64 |
| TOTAL ASSETS | | 357,540.48 |
| | | ===== |

COSD
 TRIAL BALANCE - DETAILED BALANCE SHEET - ALL FUNDS - GL051
 Current Period: JUN-15

Date: 22-DEC-15 13:32:22
 Page: 2

Currency: USD
 FUND=61405 (WATERFRONT OPERATION AND MTNCE)

| SUMMARY | ACCOUNT | FISCAL YTD BALANCE |
|--|--|-----------------------|
| LIABILITIES AND EQUITIES | | |
| L2110 ACCOUNTS PAYABLE | 21100 ACCOUNTS PAYABLE | 451.70 |
| L2110 ACCOUNTS PAYABLE | TOTAL | 451.70 |
| L2477 DUE TO OTHER FUNDS - SYSTEM | 24766 MTB-T_DART DUE TO OTHER FUNDS | 54,621.96 |
| L2477 DUE TO OTHER FUNDS - SYSTEM | TOTAL | 54,621.96 |
| TOTAL LIABILITIES | | 55,073.66 |
| | | |
| FUND BALANCE - UNAVAILABLE | | |
| RESERVE FOR ENCUMBRANCES | | 0.00 |
| TOTAL FUND BALANCE UNAVAILABLE | | 0.00 |
| | | |
| FUND BALANCE AVAILABLE | | |
| F3410 FUND BALANCE AVAILABLE - ACTUAL BA | 34100 FUND BALANCE AVAILABLE - ACTUAL BA | 13,345.50 |
| M0800 RECEIPTS SCH TR & AGENCY | 80100 RECEIPTS SCH TR & AGENCY | 416,733.97 |
| M0830 DISBURSEMENTS SCH TR AGY | 83000 DISBURSEMENTS SCH TR AGY | (127,612.65) |
| FUND BALANCE APPROPRIATED | | 0.00 |
| | | |
| ENCUMBRANCES | | 0.00 |
| TOTAL FUND BALANCE AVAILABLE | | 302,466.82 |
| | | |
| TOTAL LIABILITIES AND EQUITY | | 357,540.48 |
| | | ===== |



This section of the County of San Diego's (County) Comprehensive Annual Financial Report provides a narrative overview and analysis of the basic financial activities of the County as of and for the year ended June 30, 2015.

The intent of the information presented here, in conjunction with the Letter of Transmittal is to provide the reader with a clearer picture of the County's overall financial status. Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of the fiscal year 2015 by \$2.63 billion (net position). Of this amount, \$3.21 billion represents net investment in capital assets (capital assets net of related debt); \$620 million is restricted for specific purposes (restricted net position); and the remaining portion represents negative unrestricted net position of \$(1.20) billion.
- Total net position increased by \$286.9 million as follows:
 - Governmental activities net position increased by \$292.1 million. Current and other assets, capital assets, and deferred outflows of resources increased by \$122.5 million, \$23.8 million, and \$372.4 million, respectively; while other liabilities and deferred inflows of resources increased by \$38.8 million and \$526.2 million, respectively; offset by a \$49.3 million decrease in long-term liabilities (without regard to the net pension liability). The net pension liability portion of the long-term liabilities also increased by \$1.9498 billion. This overall decrease in net position of \$1.9468 billion was offset by a \$2.2389 billion restatement to (decrease in) beginning net position associated with reporting the beginning net pension liability as a result of the fiscal year 2015 implementation of Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment to GASB 68*.

- Business-type activities net position decreased by \$5.2 million. Current and other assets and deferred outflows of resources increased by \$400 thousand and \$1.6 million, respectively; while capital assets decreased by \$4.8 million. This net decrease in net position was coupled with increases in other liabilities and deferred inflows of resources of \$1.7 million and \$2.3 million, respectively; offset by a \$300 thousand decrease in long-term liabilities (without regard to the net pension liability). The net pension liability portion of the long-term liabilities also increased by \$8.6 billion. This overall decrease in net position of \$15.1 million was offset by a \$9.9 million restatement to (decrease in) beginning net position associated with reporting the beginning net pension liability as a result of the fiscal year 2015 implementation of the previously mentioned GASBs 68 and 71.
- General revenues for governmental activities were \$1.14 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for \$981 million or 86%; while transient occupancy tax, real property transfer tax, miscellaneous taxes, sales and use taxes, investment earnings and other general revenues accounted for \$159 million or 14%.
- Program revenues for governmental activities were \$3.0 billion. Of this amount, \$2.47 billion or 82% was attributable to operating grants and contributions while charges for services accounted for \$505 million or 17%.
- Total expenses for governmental activities were \$3.86 billion. Public assistance accounted for \$1.33 billion or 34%, while public protection accounted for \$1.31 billion or 34% of this amount. Additionally, health and sanitation accounted for \$640 million or 17%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) *Government-wide* financial statements 2) *Fund* financial statements, and 3) *Notes* to the basic



The illustration below depicts the required components of the basic financial statements.



financial statements. Required supplementary information is included in addition to the basic financial statements.

The *Government-wide financial statements* are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all County assets and deferred outflows of resources, offset by liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County'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 related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the aforementioned government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance,

education, and recreation and cultural. The business-type activities of the County include airport operations, jail stores commissary operations and sanitation districts.

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,



expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Public Safety Special Revenue Fund and the Tobacco Endowment Special Revenue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund information and other supplementary information section in this report.

Proprietary funds are generally used to account for services for which the County charges customers - either outside customers, or internal departments of the County. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains the following types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for airport operations, jail stores commissary operations, and sanitation services. These nonmajor enterprise funds are combined and aggregated. Individual fund data for each nonmajor enterprise fund is provided in the combining and individual fund information and other supplementary information section in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for the financing of public works and communications equipment; the financing of materials and supplies (purchasing); for start up services for new and existing county service districts; for the County's public liability and employee benefits activities; the financing of fleet services; for facilities management activities; and for the financing of information technology services. Because all of these services predominantly benefit governmental rather than

business-type functions, they have been included within governmental activities in the government-wide financial statements.

The County's *internal service funds* are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining and individual fund information and other supplementary information section in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 (RSI) is also presented. It provides budgetary comparisons for the General Fund, Public Safety Special Revenue Fund and the Tobacco Endowment Special Revenue Fund (all major funds) in separate Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual. It also provides information about the County's proportionate share of the San Diego County Employees Retirement Association pension plan (SDCERA_PP) collective net pension liability and information regarding the County's contributions to the SDCERA-PP.

Combining financial statements/schedules and supplementary information section of this report presents combining and individual fund statements and schedules referred to earlier that provide information for nonmajor governmental funds, enterprise funds, internal service funds and fiduciary funds and are presented immediately following the required supplementary information section of this report.

Government-wide Financial Analysis
Table 1

| Net Position | | | | | | |
|--|-------------------------|-----------|--------------------------|---------|-------------|-----------|
| June 30, 2015 and 2014 (In Thousands) | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| ASSETS | | | | | | |
| Current and other assets | \$ 3,573,751 | 3,451,265 | 80,991 | 80,628 | 3,654,742 | 3,531,893 |
| Capital assets | 3,388,558 | 3,364,716 | 167,928 | 172,677 | 3,556,486 | 3,537,393 |
| Total assets | 6,962,309 | 6,815,981 | 248,919 | 253,305 | 7,211,228 | 7,069,286 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Total deferred outflows of resources | 377,274 | 4,883 | 1,647 | | 378,921 | 4,883 |
| LIABILITIES | | | | | | |
| Long-term liabilities | 3,891,460 | 1,990,919 | 9,531 | 1,204 | 3,900,991 | 1,992,123 |
| Other liabilities | 518,283 | 479,411 | 3,319 | 1,643 | 521,602 | 481,054 |
| Total liabilities | 4,409,743 | 2,470,330 | 12,850 | 2,847 | 4,422,593 | 2,473,177 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Total deferred inflows of resources | 535,522 | 9,343 | 2,315 | | 537,837 | 9,343 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 3,042,782 | 3,015,405 | 167,453 | 171,911 | 3,210,235 | 3,187,316 |
| Restricted | 619,565 | 669,832 | | | 619,565 | 669,832 |
| Unrestricted | (1,268,029) | 655,954 | 67,948 | 78,547 | (1,200,081) | 734,501 |
| Total net position | \$ 2,394,318 | 4,341,191 | 235,401 | 250,458 | 2,629,719 | 4,591,649 |

Analysis of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$2.63 billion at the close of fiscal year 2015, an increase of \$286.9 million or 12% over fiscal year 2014. This included a \$22.9 million increase in net investment in capital assets, (a .72% increase over fiscal year 2014), and a decrease of approximately \$50.2 million in the County's restricted net position (a 7.5% decrease over fiscal year 2014). Additionally, net unrestricted net position increased by \$314.2 million in unrestricted net position, (a 21% increase over fiscal year 2014).

Unrestricted net position decreased by \$1.9346 billion. The aforementioned implementation of GASB 68 had the effect of reporting a beginning net pension liability of \$2.2488 billion, which resulted in reducing the beginning net position (via a restatement of beginning net position) and reducing the 2015 unrestricted net position by \$2.2488 billion as well.

The aforementioned increase of \$286.9 million in net position was composed of the \$2.2488 billion restatement of net position referred to above, coupled with the following changes in total assets, deferred outflows of resources, liabilities, and deferred inflows of resources:

- Total assets increased by \$141.9 million. This included an increase of \$122.8 million in current and other assets and a \$19.1 million increase in capital assets. The net increase of \$122.8 million in current and other assets was primarily attributable to an increase in cash and investments (including restricted and unrestricted cash and investments with fiscal agents) of \$222.5 million, a decrease of \$91.9 million in receivables, net (excluding property taxes), a \$7.6 million decrease in property taxes receivables, net, and a \$200 thousand decrease in other assets. The \$222.5 million net increase in cash is principally due to a \$91.9 million decrease in receivables, net (excluding property taxes), a \$7.6 million decrease in property taxes receivables, net, a \$7.5 million increase in accrued payroll, a \$44.7 million increase in unearned revenue, offset by a \$9.6 decrease in accounts payable coupled with \$2.1 decrease in accrued interest; all of which have the net effect of increasing