

**COUNTY OF SAN DIEGO**

**REVENUE BOND SERIES 2005A  
GILLESPIE FIELD PROJECT**

**ANNUAL REPORT  
FISCAL YEAR 2016/2017**

Prepared by: County of San Diego Department of Public Works \* Airports Section \* 1960 Joe Crosson Drive  
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County of San Diego

COUNTY OF SAN DIEGO  
REVENUE BOND SERIES 2005A – GILLESPIE FIELD PROJECT

ANNUAL REPORT FOR FISCAL YEAR 2016/2017

This Annual Report is prepared in accordance with provisions of the Continuing Disclosure Agreement for the County of San Diego Revenue Bond Series 2005A – Gillespie Field Project.

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Section 4 Disclosure Agreement Section 3. (b) (iii): Updated information contained in Table 4 of the Official Statement based upon the most recently completed fiscal year and using the same assumptions.

Section 5 Disclosure Agreement Section 3. (b) (iv): Updated information for Table 6 of the Official Statement for the most recently completed fiscal year.

Section 6 Disclosure Agreement Section 3. (b) (v): Updated information for Table 7 of the Official Statement for the most recently completed fiscal year.

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# SECTION 1

## Disclosure Agreement Requirement:

Provide the Agency's annual audited financial statements for the previous fiscal year prepared in accordance with generally accepted accounting principles applicable to governmental entities.

**Complete copy of the County of San Diego Comprehensive Annual Financial Report (CAFR) available at:**

[www.sandiegocounty.gov](http://www.sandiegocounty.gov)

Click on GOVERNMENT for full CAFR Report



*County of San Diego, California*



Comprehensive Annual Financial Report / For the fiscal year ended June 30, 2017

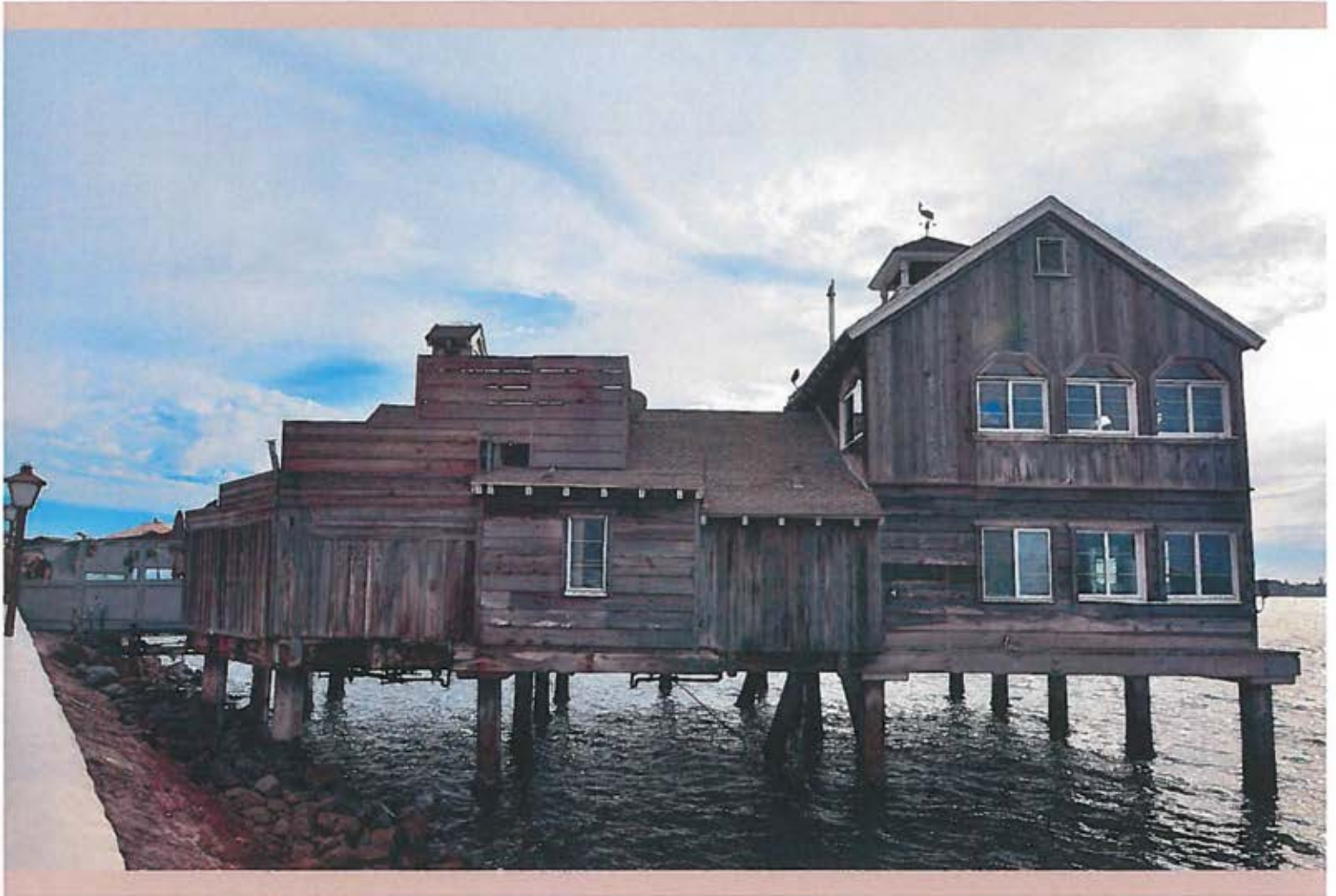




# *County of San Diego, California*

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



### *Board of Supervisors*

Greg Cox - District 1  
Dianne Jacob - District 2  
Kristin Gaspar - District 3  
Ron Roberts - District 4  
Bill Horn - District 5

Helen N. Robbins-Meyer  
*Chief Administrative Officer  
(CAO)*

Donald F. Steuer  
*Assistant CAO/  
Chief Operating Officer*

*Compiled under the direction of:*  
Tracy M. Sandoval  
*Deputy CAO/  
Auditor & Controller*

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Vavrinek, Trine, Day & Co., LLP  
Certified Public Accountants

VALUE THE DIFFERENCE

## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
County of San Diego, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County'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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Commission of San Diego (Commission), the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance 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 on pages 22 through 41, the schedules of the County's proportionate share of net pension liability and contributions on page 120, the schedules of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund, Public Safety Fund, and Tobacco Endowment Fund on pages 121 through 125, and related notes on page 126, 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund information and other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund information and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund information and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the County'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 solely 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 effectiveness of the County's 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 County's internal control over financial reporting and compliance.



San Diego, California  
November 30, 2017



County of San Diego / Comprehensive Annual Financial Report / For the year ended June 30, 2017

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

June 30, 2017

(In Thousands)

	Pooled Investments - Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Pooled cash and investments	\$ 5,427,997	1,961	428,093
Cash with fiscal agents			707
Investments with fiscal agents		1,155	
Receivables:			
Accounts receivable			962
Investment earnings receivable	17,243	3	20,966
Taxes receivable	43,049		66,462
Other receivables	11,410		
Total assets	5,499,699	3,119	517,190
<b>LIABILITIES</b>			
Accounts payable	1,960	5	74,670
Warrants outstanding			176,971
Accrued interest		53	
Noncurrent liabilities:			
Due within one year		498	
Due in more than one year		10,951	
Due to other funds		5,277	
Due to other governments			265,549
Total liabilities	1,960	16,784	517,190
<b>NET POSITION</b>			
Held in trust for pool participants	5,497,739		
Held in trust for private purpose		(13,665)	
Total net position (deficit) held in trust	\$ 5,497,739	(13,665)	

County of San Diego / Comprehensive Annual Financial Report / For the year ended June 30, 2017

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

For the Year Ended June 30, 2017  
(In Thousands)

	Pooled Investments- Investment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund
<b>ADDITIONS</b>		
Contributions:		
Contributions to investments	\$ 9,896,500	
Total contributions	9,896,500	
Investment earnings:		
Net increase (decrease) in fair value of investments	(24,951)	
Investment earnings	53,761	3
Total investment earnings	28,810	3
Property taxes- Successor Agency Redevelopment Property Tax Trust Fund Distribution		2,197
Total additions	9,925,310	2,200
<b>DEDUCTIONS</b>		
Administrative expenses		21
Distributions from investments	9,806,819	
Contributions to other agencies		550
Interest		733
Total deductions	9,806,819	1,304
Change in net position	118,491	896
Net position at beginning of year	5,379,248	(14,561)
Net position (deficit) at end of year	\$ 5,497,739	(13,665)

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

### **Airport Fund**

This fund is used to account for the maintenance, operations and development of County airports. A major objective of the airport program is to develop airport property utilizing federal and state grants in order to enhance the value of public assets, generate new revenues and be a catalyst for aviation and business development.

### **Jail Stores Commissary Fund**

This fund was established to provide for the financing of a Sheriff's commissary store allowing persons incarcerated at various County detention facilities to purchase a variety of goods, including food, snacks, stationery, personal care items and telephone time.

### **Sanitation District Fund**

This fund was established to provide sewer service, maintenance, and repairs of wastewater infrastructure to customers in the unincorporated county. The County Board of Supervisors serves as the District's Board of Directors for governance matters.



## COMBINING STATEMENT OF NET POSITION

## ENTERPRISE FUNDS

June 30, 2017  
(In Thousands)

	Airport Fund	Jail Stores Commissary Fund	Sanitation District Fund	Total Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Pooled cash and investments	\$ 16,561	3,420	58,204	78,185
Receivables, net	3,031	236	184	3,451
Due from other funds			31	31
Inventories	1	213	3	217
Total current assets	19,593	3,869	58,422	81,884
Noncurrent assets:				
Due from other funds	3,674			3,674
Capital assets:				
Land	10,504		1,089	11,593
Construction in progress	11,630		7,357	18,987
Buildings and improvements	120,001		12,055	132,056
Equipment	1,840	233	299	2,372
Software	101			101
Road infrastructure	9,789			9,789
Sewer infrastructure			99,093	99,093
Accumulated depreciation/amortization	(50,646)	(226)	(49,075)	(99,947)
Total noncurrent assets	106,893	7	70,818	177,718
Total assets	126,486	3,876	129,240	259,602
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension:				
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	28		29	57
Contributions to the pension plan subsequent to the measurement date	830		873	1,703
Changes of assumptions or other inputs	1,579		1,766	3,345
Net difference between projected and actual earnings on pension plan investments	1,287		1,503	2,790
Difference between expected and actual experience in the total pension liability	10		12	22
Total deferred outflows of resources	3,734		4,183	7,917

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COMBINING STATEMENT OF NET POSITION

ENTERPRISE FUNDS

June 30, 2017  
(In Thousands)

(Continued)

	Airport Fund	Jail Stores Commissary Fund	Sanitation District Fund	Total Enterprise Funds
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,114	421	1,259	2,794
Accrued payroll	71		84	155
Due to other funds	174	1,026	174	1,374
Unearned revenue	165			165
Compensated absences	83		101	184
Total current liabilities	1,607	1,447	1,618	4,672
Noncurrent liabilities:				
Compensated absences	117		142	259
Net pension liability	8,437		9,129	17,566
Total noncurrent liabilities	8,554		9,271	17,825
Total liabilities	10,161	1,447	10,889	22,497
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension:				
Difference between expected and actual experience in the total pension liability	331		349	680
Changes in proportionate share and differences between employer's contributions and proportionate share of contributions	10		11	21
Total deferred inflows of resources	341		360	701
<b>NET POSITION</b>				
Net investment in capital assets	103,219	7	70,818	174,044
Unrestricted net position	16,499	2,422	51,356	70,277
Total net position	\$ 119,718	2,429	122,174	244,321

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

## ENTERPRISE FUNDS

For the Year Ended June 30, 2017  
(In Thousands)

	Airport Fund	Jail Stores Commissary Fund	Sanitation District Fund	Total Enterprise Funds
Operating revenues:				
Charges for current services	\$ 14,302	7,141	29,063	50,506
Other	78	2,627		2,705
Total operating revenues	14,380	9,768	29,063	53,211
Operating expenses:				
Salaries and employee benefits	4,358		5,256	9,614
Repairs and maintenance	674	18	5,701	6,393
Equipment rental	578	16	949	1,543
Sewage processing			8,767	8,767
Contracted services	4,168	3,103	1,058	8,329
Depreciation/amortization	4,033	3	2,182	6,218
Utilities	274		32	306
Cost of material		2,637		2,637
Fuel	90	2		92
Other	516	235	1,616	2,367
Total operating expenses	14,691	6,014	25,561	46,266
Operating income (loss)	(311)	3,754	3,502	6,945
Nonoperating revenues (expenses):				
Grants	5,659			5,659
Investment earnings	217	16	290	523
Interest expense	(10)			(10)
Gain (loss) on disposal of assets	11			11
Total nonoperating revenues (expenses)	5,877	16	290	6,183
Income (loss) before capital contributions and transfers	5,566	3,770	3,792	13,128
Transfers in	50		344	394
Transfers out	(156)	(4,013)	(624)	(4,793)
Change in net position	5,460	(243)	3,512	8,729
Net position (deficit) at beginning of year	114,258	2,672	118,662	235,592
Net position (deficit) at end of year	\$ *119,718	2,429	122,174	244,321



# Combining Financial Statements – Nonmajor Enterprise Funds

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## COMBINING STATEMENT OF CASH FLOWS

### ENTERPRISE FUNDS

For the Year Ended June 30, 2017

(In Thousands)

	Airport Fund	Jail Stores Commissary Fund	Sanitation District Fund	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 15,355	9,541	21,586	46,482
Cash received from other funds	3	1,057	7,476	8,536
Cash payments to suppliers	(5,942)	(6,178)	(15,749)	(27,869)
Cash payments to employees	(3,862)		(4,682)	(8,544)
Cash payments to other funds	(2,268)	(28)	(1,919)	(4,215)
Net cash provided (used) by operating activities	3,286	4,392	6,712	14,390
Cash flows from noncapital financing activities:				
Operating grants	4,835			4,835
Transfers from other funds	50		344	394
Transfers to other funds	(156)	(4,013)	(624)	(4,793)
Other noncapital increases	116			116
Net cash provided (used) by noncapital financing activities	4,845	(4,013)	(280)	552
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(6,590)		(3,719)	(10,309)
Proceeds from sale of assets	19			19
Principal paid on long-term debt	(171)			(171)
Interest paid on long-term debt	(10)			(10)
Net cash provided (used) by capital and related financing activities	(6,752)		(3,719)	(10,471)
Cash flows from investing activities:				
Investment earnings	192	12	202	406
Net increase (decrease) in cash and cash equivalents	1,571	391	2,915	4,877
Cash and cash equivalents - beginning of year	14,990	3,029	55,289	73,308
Cash and cash equivalents - end of year	16,561	3,420	58,204	78,185

Continued on next page



## COMBINING STATEMENT OF CASH FLOWS

## ENTERPRISE FUNDS

For the Year Ended June 30, 2017

(In Thousands)

(Continued)	Airport Fund	Jail Stores Commissary Fund	Sanitation District Fund	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(311)	3,754	3,502	6,945
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease (increase) in accounts receivables	1,047	(226)	3	824
Decrease (increase) in due from other funds		195	(3)	192
Decrease (increase) in inventory	(1)	57		56
Increase (decrease) in accounts payable	(1,844)	(253)	455	(1,642)
Increase (decrease) in accrued payroll	(89)		(116)	(205)
Increase (decrease) in due to other funds	(66)	862	(1)	795
Increase (decrease) in unearned revenue	(69)			(69)
Increase (decrease) in compensated absences	(6)		33	27
Pension expense	592		657	1,249
Depreciation/amortization	4,033	3	2,182	6,218
Total adjustments	3,597	638	3,210	7,445
Net cash provided (used) by operating activities	3,286	4,392	6,712	14,390
Non-cash investing and capital financing activities:				
Capital acquisitions included in accounts payable	\$ 1,800		708	2,508

## SECTION 2

### Disclosure Agreement Requirement

Provide updated information for Table 2 of the Official Statement for the most recently completed fiscal year.



COUNTY OF SAN DIEGO  
GILLESPIE FIELD PROJECT AREA  
2005 Bond Issue - Continuing Disclosure Item

TABLE 2  
Ten Largest Tax Payers  
Fiscal Year 2016-2017

Owner Name	Parcel Count	Land Use	Net Assessed Value	Percent of Project Area Net Assessed Value
Helf Properties Inc	10	Industrial/Commercial	\$ 23,672,452	8.14%
Chem Tronics	4	Industrial/Commercial	\$ 17,960,210	6.18%
Pacific Gillespie	7	Industrial/Commercial	\$ 17,563,656	6.04%
Cuyamaca West	10	Industrial/Commercial	\$ 14,514,860	4.99%
Gillespie GH LLC	1	Industrial/Commercial	\$ 13,875,000	4.77%
General Atomics	N/A	Aircraft Unsecured	\$ 10,976,900	3.78%
Thomas L Ragland Trust	1	Industrial/Commercial	\$ 7,089,473	2.44%
Diversified	3	Industrial/Commercial	\$ 7,080,231	2.44%
The Bordon Trust	3	Industrial/Commercial	\$ 6,643,018	2.28%
Circle Air Group	3	Industrial/Commercial	\$ 5,245,310	1.80%
Total	42		\$ 124,621,110	42.87%
Fiscal Year 2016-17 Net Secured and Unsecured Value			\$ 215,065,557	
Fiscal Year 2016-17 Net Aircraft Value			\$ 75,661,504	
Fiscal Year 2016-17 Net Assessed Value for Project Area			\$ 290,727,061	

Sources: County Assessors 2016-2017 Possessory Interest Market Value  
Report and 2016-2017 Assessed Valuation of Aircraft Roll

## SECTION 3

### Disclosure Agreement Requirement:

Provide updated information for Table 3 of the Official Statement for the most recently completed fiscal year.

**TABLE 3**  
**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO**  
**GILLESPIE FIELD PROJECT**  
**Historical Assessed Valuations and Tax Increment Receipts**  
**Fiscal Years 2013-14 to 2017-18**

	2013-14	Percent Change	2014-15	Percent Change	2015-16	Percent Change	2016-17	Percent Change	2017-18
<b>Assessed Values:</b>									
Land and Improvements:	197,314,125		196,738,425		206,153,527		210,826,104		222,637,276
Personal Property:	26,926,491		25,829,982		26,522,401		29,846,452		26,741,917
Aircraft:	89,060,608		64,254,534		68,530,085		67,632,775		64,684,604
<b>Total Assessed Values:</b>	<b>313,301,224</b>	<b>-8.45%</b>	<b>286,822,941</b>	<b>5.01%</b>	<b>301,206,013</b>	<b>2.36%</b>	<b>308,305,331</b>	<b>1.87%</b>	<b>314,063,797</b>
LESS: BASE YEAR:	(56,405,596)		(56,405,596)		(56,405,596)		(56,405,596)		(56,405,596)
<b>INCREMENTAL AV:</b>	<b>\$ 256,895,628</b>	<b>-10.31%</b>	<b>\$ 230,417,345</b>	<b>6.24%</b>	<b>\$ 244,800,417</b>	<b>2.90%</b>	<b>\$ 251,899,735</b>	<b>2.29%</b>	<b>\$ 257,658,201</b>
Incremental Revenue:	2,568,956		2,304,173		2,448,004		2,518,997		2,576,582
Unitary Revenue:	14,578		13,542		15,301		14,823		16,411
<b>Total Estimated Revenue:</b>	<b>\$ 2,583,535</b>		<b>\$ 2,317,715</b>		<b>\$ 2,463,306</b>		<b>\$ 2,533,820</b>		<b>\$ 2,592,993</b>
<b>Actual Revenues Collected by County</b>									
Secured & Unsecured:	2,485,131		2,255,095		2,405,479		2,426,841		Not Available
Supplemental:	5,192		54,715		74,088		65,126		
Unitary Utility:	14,869		13,840		15,293		14,817		
Health & Safety Code Pass Through:	(20,400)		(20,642)		(21,715)		(22,550)		
Corrections & Refunds/Adjustments:	(19,013)		(20,357)		(16,680)		(9,606)		
Delinquencies, Penalties & Interest:	29,838		25,595		21,661		21,186		
Property Tax Administration Costs:	(39,929)		(35,456)		(34,565)		(33,003)		
<b>Net Revenue Paid:</b>	<b>\$ 2,455,688</b>	<b>-7.45%</b>	<b>2,272,789</b>	<b>7.51%</b>	<b>2,443,561</b>	<b>0.79%</b>	<b>2,462,810</b>		
Low/Mod Housing Set-Aside	-		-		-		-		
<b>Net Revenue from the Project Area:</b>	<b>\$ 2,455,688</b>	<b>-7.45%</b>	<b>2,272,789</b>	<b>7.51%</b>	<b>2,443,561</b>	<b>0.79%</b>	<b>2,462,810</b>		

Source: RSG Inc. (Estimated Revenues) based on San Diego County Auditor-Controller Reports. Actual revenues shown as reported by San Diego Auditor-Controller.

**Notes:**

1. Due to Assembly Bill x1 26, upheld by the California State Supreme Court, all redevelopment agencies were dissolved on February 1, 2012. Beginning in Fiscal Year 2011-12, all revenues formerly known as tax increment revenues are collected by the County Auditor Controller and distributed pursuant to Health and Safety Code Section 34183.
2. As of February 1, 2012, the Low/Mod Housing Set Aside Fund no longer exists. Funds may not be set aside for housing purposes, pursuant to ABx1 26 and subsequent legislation Assembly Bill 1484.



## SECTION 4

### Disclosure Agreement Requirement

Provide updated information contained in Table 4 of the Official Statement based upon the most recently completed fiscal year and using the same assumptions.

TABLE 4

**Successor Agency to the Redevelopment Agency of the County of San Diego  
TAX INCREMENT REVENUE PROJECTIONS  
GILLESPIE FIELD PROJECT AREA**

Plan Year	Fiscal Year	Land & Improv Assessed Valuation @ 2.00%	Pers Proply Assessed Valuation @ 0.00%	Aircraft Assessed Valuation @ 0.00%	Total Assessed Value	Annual Incremental Revenue @ 1.00%	Estimated Unitary Revenue	Gross Tax Increment Revenue	Total Pass-Thru Payment	Remaining Revenue	Housing Fund Portion (See Notes)	Non-Hsg Fund Portion
	BASE YEAR	38,039,136	5,771,910	12,594,550								
31	2017-18	222,637,276	26,741,917	64,684,604	314,063,797	2,576,582	16,411	2,592,993	65,459	2,501,796	0	2,501,796
32	2018-19	227,090,022	26,741,917	64,684,604	318,516,543	2,621,109	16,411	2,637,520	68,626	2,541,911	0	2,541,911
33	2019-20	231,631,822	26,741,917	64,684,604	323,058,343	2,666,527	16,411	2,682,938	71,857	2,582,829	0	2,582,829
34	2020-21	236,264,458	26,741,917	64,684,604	327,690,979	2,712,854	16,411	2,729,264	75,152	2,624,564	0	2,624,564
35	2021-22	240,989,748	26,741,917	64,684,604	332,416,269	2,760,107	16,411	2,776,517	78,513	2,667,135	0	2,667,135
36	2022-23	245,809,543	26,741,917	64,684,604	337,236,064	2,808,305	16,411	2,824,715	81,941	2,710,557	0	2,710,557
37	2023-24	250,725,733	26,741,917	64,684,604	342,152,254	2,857,467	16,411	2,873,877	85,437	2,754,848	0	2,754,848
38	2024-25	255,740,248	26,741,917	64,684,604	347,166,769	2,907,612	16,411	2,924,022	89,004	2,800,024	0	2,800,024
39	2025-26	260,855,053	26,741,917	64,684,604	352,281,574	2,958,760	16,411	2,975,170	92,642	2,846,104	0	2,846,104
40	2026-27	266,072,154	26,741,917	64,684,604	357,498,675	3,010,931	16,411	3,027,341	96,353	2,893,105	0	2,893,105
41	2027-28	271,393,597	26,741,917	64,684,604	362,820,118	3,064,145	16,411	3,080,556	100,137	2,941,046	0	2,941,046
42	2028-29	276,821,469	26,741,917	64,684,604	368,247,990	3,118,424	16,411	3,134,834	103,998	2,989,947	0	2,989,947
43	2029-30	282,357,898	26,741,917	64,684,604	373,784,419	3,173,788	16,411	3,190,199	768,524	2,379,237	0	2,379,237
44	2030-31	288,005,056	26,741,917	64,684,604	379,431,577	3,230,260	16,411	3,246,670	1,465,121	1,737,532	0	1,737,532
45	2031-32	293,765,158	26,741,917	64,684,604	385,191,679	3,287,861	16,411	3,304,271	1,488,554	1,770,089	0	1,770,089

Table updated January 10, 2018 utilizing 2017-18 Auditor-Controller assessed value report, 2017-18 Supplementary Detail for Aircraft Unsecured Certified Values, and estimated unitary receivables from 2017-18.

Notes:

1. Due to Assembly Bill x1 26, upheld by the California State Supreme Court, all redevelopment agencies were dissolved on February 1, 2012. Successor Agencies were created to oversee payment of all valid debts. Beginning in Fiscal Year 2011-12, all former tax increment amounts are collected by the County Auditor Controller and distributed pursuant to Health and Safety Code Section 34183.

2. Beginning February 1, 2012, the Low/Mod Housing Set Aside Fund no longer exists. No additional set aside for housing is allowed under ABx1 26 and subsequent legislation Assembly Bill 1484.

## Section 5

### Disclosure Agreement Requirement

Provide updated information for Table 6 of the Official Statement for the most recently completed fiscal year.

**TABLE 6**  
**SAN DIEGO COUNTY AIRPORT ENTERPRISE FUND**  
**Statement of Operating Revenues and Expenses**  
**For the Fiscal Years 20012/13 through 2016/17**  
**(\$000's)**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Budgeted</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Operating Revenues:</b>						
Rents & Concessions	\$9,950	\$11,247	\$10,994	\$11,368	\$13,543	\$11,177
Royalties	236	241	232	246	335	520
Charges in Other Funds/Special District	9	6	0	59	0	0
Charges in Transit Enterprise Fund	0	0	0	0	0	0
Charges in General Fund (rent income)	0	0	0	0	0	0
Charges in Other Sales	0	163	99	84	78	80
Aid from Other Gov. Agencies	0	0	0	0	0	0
Miscellaneous Operating Revenues	998	1,153	758	371	424	1,054
<b>Total Operating Revenues</b>	<b>\$11,193</b>	<b>\$12,810</b>	<b>\$12,083</b>	<b>\$12,128</b>	<b>\$14,380</b>	<b>\$12,831</b>
<b>Operating Expenses:</b>						
Salaries	\$3,440	\$3,663	\$3,503	\$3,614	\$4,358	\$4,520
Repairs and Maintenance	1,485	1,050	876	1,117	674	1,710
Equipment Rental	490	510	442	571	578	605
Contracted Services <sup>(1)</sup>	4,371	4,317	5,045	4,614	4,168	6,881
Depreciation	3,368	3,506	3,798	3,722	4,033	4,275
Utilities	271	301	310	273	274	315
Public Liability Insurance	112	88	85	89	119	172
Information Technology	191	244	312	175	141	314
Minor Equipment	3	5	30	8	26	96
Other Operating Expenses	298	343	185	277	320	6,226
<b>Total Operating Expenses</b>	<b>\$14,029</b>	<b>\$14,027</b>	<b>\$14,586</b>	<b>\$14,460</b>	<b>\$14,691</b>	<b>\$25,114</b>
<b>Operating Income (Loss) <sup>(1)</sup></b>	<b>(\$2,838)</b>	<b>(\$1,217)</b>	<b>(\$2,503)</b>	<b>(\$2,332)</b>	<b>(\$311)</b>	<b>(\$12,282)</b>
<b>Add Back: Depreciation</b>	<b>3,368</b>	<b>3,505</b>	<b>3,798</b>	<b>3,722</b>	<b>4,033</b>	<b>4,275</b>
<b>Cash Flow From Operations</b>	<b>\$530</b>	<b>\$2,288</b>	<b>\$1,295</b>	<b>\$1,390</b>	<b>\$3,722</b>	<b>(\$8,007)</b>

<sup>(1)</sup> A portion of the Contracted Services is paid for by Grants.

Source: 2012/13 - 2016/17 Audited Financials, as expanded by the County of San Diego.  
2017/18, County of San Diego.



## SECTION 6

### Disclosure Agreement Requirement

Provide updated information for Table 7 of the Official Statement for the most recently completed fiscal year.

**TABLE 7**  
**SAN DIEGO COUNTY AIRPORT ENTERPRISE FUND**  
**Statement of Non-Operating Revenues and Expenses**  
**For the Fiscal Years 2012/13 through 2016/17**  
**(\$000's)**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Budgeted</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Non-Operating Revenues (Expenses):</b>						
Interest on Deposits & Investments	\$43	\$230	\$96	\$0	\$217	\$157
Federal Aid Airports (funding for CIP)	4883	3793	702	3014	5276	1328
State Aid for Aviation	50	0	0	499	383	0
Investment Earnings				1252		
Gain (loss) on disposal of assets	(2)	0	0	(6)	(10)	0
Other Non-Operating Revenues (Expenses)	0	0	0	0	0	0
Interest Expense	(74)	(59)	(43)	(27)	11	0
<b>Non-Operating Income (Loss)</b>	<b>\$4,900</b>	<b>\$3,964</b>	<b>\$755</b>	<b>\$4,732</b>	<b>\$5,877</b>	<b>\$1,485</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>\$2,064</b>	<b>\$2,747</b>	<b>-\$1,748</b>	<b>\$2,400</b>	<b>\$5,566</b>	<b>\$4,672</b>
<b>Operating Transfers In</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>
<b>Operating Transfers In (Out)</b>	<b>(164)</b>	<b>(165)</b>	<b>(166)</b>	<b>(831)</b>	<b>(156)</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>\$1,950</b>	<b>\$2,632</b>	<b>(1,864)</b>	<b>\$1,619</b>	<b>\$5,460</b>	<b>\$4,722</b>
<b>Total Net Assets - Beginning</b>	<b>\$114,756</b>	<b>\$116,706</b>	<b>\$114,503</b>	<b>\$112,639</b>	<b>\$114,258</b>	<b>\$119,718</b>
<b>Total Net Assets - Ending</b>	<b>\$116,706</b>	<b>\$119,338</b>	<b>\$112,639</b>	<b>\$114,258</b>	<b>\$119,718</b>	<b>\$124,440</b>

Source: 2012/13 - 2016/17 Audited Financials, as expanded by the County of San Diego.  
Budget for 2017/18, County Airports

## SECTION 7

### Disclosure Agreement Requirement

Provide updated information for Table 8 of the Official Statement for the most recently completed fiscal year.

# **Balance Sheet**

Table 8 shows the Balance Sheet for the Airport Enterprise Fund for the Fiscal Years ended June 30, 2013 and through June 30, 2017.

**TABLE 8**  
**FINANCIAL REPORT OF SAN DIEGO COUNTY**  
**Airport Enterprise Fund**  
**Statement of Net Assets (\$000's)**

<b>ASSETS</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Current Assets</b>					
Equity in Pooled Cash & Investments	\$10,518	\$13,798	\$14,329	\$14,990	\$16,561
Collections in Transit					
Accounts and Notes Receivable	6,155	2,925	2,848	3,229	3,031
Due From Other Funds	1	1			
Advances to Other Funds					
Inventory of Materials & Supplies					1
<b>Total Current Assets</b>	<b>\$16,674</b>	<b>\$16,724</b>	<b>\$17,177</b>	<b>\$18,219</b>	<b>\$19,593</b>
<b>Capital Assets</b>					
Advances to Other Funds	\$3,850	\$3,862	\$3,765	\$3,790	\$3,674
Land	10,476	10,504	10,504	10,504	10,504
Construction in Progress	9,218	4,449	4,874	6,318	11,630
Building & Equipment, Software and Equipment	109,559	115,528	115,820	119,148	121,942
Infrastructure	6,449	9,569	9,679	9,679	9,789
Less Accumulated Depreciation	(35,808)	(39,314)	(43,112)	(46,779)	(50,646)
<b>Total Noncurrent Assets</b>	<b>\$103,744</b>	<b>\$104,598</b>	<b>\$101,530</b>	<b>\$102,660</b>	<b>\$106,893</b>
<b>Total Assets</b>	<b>\$120,418</b>	<b>\$121,322</b>	<b>\$118,707</b>	<b>\$120,879</b>	<b>\$126,486</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Pension:</b>					
Changes in proportionate share of contributions			\$37	\$41	\$28
Contributions to the pension plan subsequent to the measurement date			768	763	830
Change in assumptions or other inputs				480	1,579
Net difference between projected and actual earnings on pension plan investment				211	1,287
Difference between and actual experience in the total pension liability				12	10
<b>Total deferred outflows of resources</b>			<b>\$805</b>	<b>\$1,507</b>	<b>\$3,734</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	\$2,048	\$353	\$216	\$1,158	\$1,114
Accrued Payroll	115	132	135	160	71
Due to Other Funds	233	384	396	240	174
Compensated Absences	83	87	91	85	83
Deferred Revenue	66	132	85	234	165
Bonds, Notes and Loans Payable	279	291	304	171	
<b>Total Current Liabilities</b>	<b>\$2,824</b>	<b>\$1,379</b>	<b>\$1,227</b>	<b>\$2,048</b>	<b>\$1,607</b>
<b>Noncurrent Liabilities</b>					
Compensated Absences	\$121	\$130	\$133	\$121	\$117
Bonds, Notes and Loans Payable	767	475	171		
Net Pension Liability			4,211	5,539	8,437
<b>Total Noncurrent Liabilities</b>	<b>\$888</b>	<b>\$605</b>	<b>\$4,515</b>	<b>\$5,660</b>	<b>\$8,554</b>
<b>Total Liabilities</b>	<b>\$3,712</b>	<b>\$1,984</b>	<b>\$5,742</b>	<b>\$7,708</b>	<b>\$10,161</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
<b>Pension:</b>					
Difference between expected and actual experience in the total pension liability			\$299	\$420	\$331
Net difference between projected and actual earnings on pension plan investments			832		10
<b>Total deferred inflows of resources</b>			<b>\$1,131</b>	<b>\$420</b>	<b>\$341</b>
<b>NET ASSETS</b>					
Invested in Capital (Net of Related Debt)	\$98,848	\$99,970	\$97,290	\$98,699	\$103,219
Unrestricted (Deficit)	17,858	19,368	15,349	15,559	16,499
<b>Total Net Assets</b>	<b>\$116,706</b>	<b>\$119,338</b>	<b>\$112,639</b>	<b>\$114,258</b>	<b>\$119,718</b>

Source: 2013 - 2017 Audited Financials.



## SECTION 8

### Disclosure Agreement Requirement

Provide information regarding any payments during the most recently completed fiscal year of the type described in "RISK FACTORS – State Budget Deficit and Its Impact on Housing Tax Revenues" in the Official Statement.

COUNTY OF SAN DIEGO  
GILLESPIE FIELD PROJECT AREA  
2005 Bond Issue – Continuing Disclosure Item VIII

INFORMATION RELATING TO RISK

Redevelopment Agencies were dissolved by the California legislature in ABX1 26 (Dissolution Law) on June 28, 2011. The California Supreme Court upheld the constitutionality of the dissolution on December 29, 2011. The Dissolution Law sets forth required steps to preserve the assets and fulfill the legally-binding commitments of the former redevelopment agencies, oversee the termination of activities, and return resources expeditiously to the affected taxing agencies. On January 24, 2012 the County of San Diego Board of Supervisors (BOS) approved to establish the County of San Diego as the successor agency to the Redevelopment Agency of the County of San Diego and allow all necessary and required actions to effect the transfers of assets as directed by law. Enforceable obligations will be honored and paid only according to the adopted Recognized Obligation Payment Schedule (ROPS), which includes required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency.